

PestWISE TIMBER PEST DAMAGE INSURANCE

Product Disclosure Statement & Policy Wording



This Policy Wording & PDS is dated 1st December 2008 (ref: CLPES 1208).

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Introduction

PestWISE Timber Pest Damage Insurance has been designed to give home owners peace of mind when it comes to attacks by Timber Pests on your House. PestWISE will help pay to rebuild or repair damage to your House following an attack and there is also a treatment option. PestWISE covers attack from four Timber Pests found in Australia which include termites, wood borers, fungal decay and chemical delignification.

This Product Disclosure Statement (PDS) is designed to tell You about PestWISE Timber Pest Damage Insurance and to help You make an informed decision about whether to buy this insurance. Any advice in this PDS is general advice, therefore please read the PDS carefully to ensure the cover suits your needs before You make your decision.

If You buy this product, your Policy will consist of this PDS & Policy Wording, your completed Application and your Certificate of Insurance. Keep it in a safe place for future reference.

Cooling-Off Period

There is a 14 day cooling off period. If You are not completely satisfied with the Policy, You can cancel it in writing within 14 days of the issue date and receive a full refund, other than non-refundable government taxes and duties.

This will not apply if You make a claim under the Policy within the 14 day period.

Who is the Insurer?

This insurer of this policy and PDS is :-

Calliden Insurance Limited (Calliden) ABN 47 004 125 268 AFS Licence No: 234438	Level 7, 100 Arthur Street North Sydney NSW 2060	PO BOX 348 Milsons Point, NSW 1565 Tel: (02) 9551 1111 Fax: (02) 9551 1155 See Agent Contact Details
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Who is the Insurer's Agent?

Calliden has authorised its agent to bind this insurance and issue policy wordings on its behalf:-

Jardine Lloyd Thompson Pty Ltd (JLT) ABN 69 009 095 864 AFS Licence No: 226827	Level 11, 66 Clarence Street SYDNEY NSW 2000	Tel: (02) 9290 8000 Fax: (02) 9299 7280 www.jlta.com.au/pestwise/
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In relation to this insurance JLT acts on behalf of Calliden and not on your behalf. Any advice provided by JLT is done so under JLT's Australian Financial Services Licence and not Calliden's Australian Financial Services Licence.

What Types of Cover and Benefits are Available?

You can choose from 2 types of cover:-

Option 1 Cover: Loss arising out of Timber Pest Damage to the House; or

Option 2 Cover: (a) Loss arising out of Timber Pest Damage to the House; and
(b) the reasonable cost of Treatment of active Timber Pests.

The cover You choose will be shown on your Certificate of Insurance.

What are the Limits of Cover?

The maximum amount We will pay depends on the type of cover You choose. You need to decide if the limits of cover are appropriate for You.

Option 1	Timber Pest Damage	Up to \$100,000 any one loss and in the aggregate during the Policy Period
Option 2	(a) Timber Pest Damage and (b) Treatment of Active Timber Pests	(a) Up to \$100,000 any one loss and in the aggregate during the Policy Period; and (b) Up to \$ 10,000 any one loss and in the aggregate during the Policy Period

About the Cost of the Insurance

The amount that we charge You for this insurance when You first acquire Your policy is called the premium. The premium is the total that we calculate when considering all of the factors which make up the risk. The total amount payable must be received by JLT before cover can be confirmed.

The total cost of Your policy is shown on Your policy Certificate of Insurance. and is made up of Your premium plus Government Taxes such as, GST, Stamp Duty and Fire Service Fees.

This cost does not include the cost of the Inspection Report which You pay directly to the Accredited Consultant for that service.

What happens if You do not pay the cost of Your policy by the due date?

We will have the right to cancel Your policy if You do not pay Your premium by the due date or if Your payment method is dishonoured and therefore We have not received Your payment by the due date. Unless we tell You, any payment reminder we send does not change the expiry of Your cover or the due date of Your premium.

Other costs, fees and charges

Other costs, fees and charges which may be applicable to the purchase of Your insurance policy include:

COSTS OR FEES	DETAILS
Cancellation Fee	<p>You may cancel Your policy at any time. If You choose to cancel Your policy We will retain a portion of premium which relates to the period for which You have been insured. We will refund the residue for the unexpired period, less any non-refundable government taxes or charges, provided that:</p> <ul style="list-style-type: none">• no event has occurred where liability arises under the policy; and• you pay the applicable cancellation fee. <p>For details of Your cancellation fee please refer to Your Financial Services Guide (FSG), Statement of Advice (SOA) or contact Your broker or insurance intermediary directly.</p>
Administration Fee	<p>Your broker or insurance intermediary may charge an administration fee for issuing Your policy documentation. For details of Your administration fee please refer to Your FSG, SOA or contact Your broker or insurance intermediary directly.</p>
Commissions	<p>Your broker or insurance intermediary may receive a commission payment from us when Your policy is issued and renewed. For details of the relevant commission paid, please refer to Your FSG, SOA or contact Your broker or insurance intermediary directly.</p>

This cost does not include the cost of the Inspection Report which You pay directly to the Accredited Consultant for that service.

How to Apply for Cover

You can apply for this insurance if You have an Inspection Report which was completed and issued during the previous 180 days by a Timber Pest Detection Consultant who has been accredited to Level 6 by RSA.

Complete the online Application which includes reference to the Inspection Report, your unique number and other details. JLT will also process your payment. If your application is successful, your policy period will commence from the date of the Inspection.

How to Obtain Cover

The Inspection Report will be considered along with the type of cover You apply for and You will then be advised if We have accepted your Application at the time of completing your online application.

If your Application is accepted and your payment received by JLT, You can download the Certificate of Insurance which is an important document forming part of your Policy.

Policy Period

The Policy Period stated in your Certificate of Insurance will be 12 months from the date of the Inspection Report.

This Policy is non renewable. This means that all cover under this Policy will end at the expiry of the Policy Period and therefore You will not receive any notice of renewal from Us.

At the end of the Policy Period You may apply for a new Policy in the same way as set out above and in accordance with the Policy Conditions which require, among other things, a new Inspection Report by an Accredited Consultant to be supplied and accepted by Calliden.

As this Policy is non renewable You should apply for the new cover prior to the expiry of current cover to ensure continuity of protection.

If the House is sold at any time during the Policy Period, the new Building Owner will automatically become the Insured under this Policy.

Your Responsibilities

Policy Conditions

You must comply with certain conditions for your insurance cover to apply. For example, You must pay the premium. You should make yourself aware of all the conditions that apply by reading the policy wording.

Paying the cost of the insurance

JLT will tell You how much You have to pay and when it is payable.

Duty of Disclosure

Whether You are entering into a policy for the first time or are proposing to renew, vary, extend or reinstate a policy You have a duty of disclosure:

Your Duty of Disclosure for New Policies

When answering our questions You must be honest and You have a duty under law to tell us anything known to You, and which a reasonable person in the circumstances, would include in the answer to the question. We will use the answers in deciding whether to insure You and anyone else to be insured under the policy, and on what terms.

Your Duty of Disclosure for Renewals

If You have already entered into a policy and You are proposing to renew, vary, extend or reinstate the policy Your duty of disclosure changes. You have a duty to tell us of everything that You know, or could reasonably be expected to know, that is relevant to our decision to insure You and to the terms of that insurance. If You are not sure whether something is relevant You should inform us anyway.

Who Needs to Tell Us?

It is important that You understand You are answering our questions in this way for Yourself and anyone else that You want to be covered by the policy.

What You Are Not Required to Disclose

Your duty does not require disclosure of matters that:

- reduce the risk
- are common knowledge
- we know or, in the ordinary course of our business, ought to know, and
- we have indicated We do not want to know.

If You do not tell us

If You do not answer our questions in this way or disclose everything You know, We may reduce or refuse to pay a claim, or cancel the policy. If You answer our questions fraudulently, We may refuse to pay a claim and treat this policy as never having been in force.

When We Will and Will Not Pay a Claim

When We will pay a claim

We will pay You for Loss or Treatment Costs arising out of the discovery of any Timber Pest Damage or active Timber Pests notified to Us during the Policy Period.

Please refer to the policy for full details of cover.

When We will not pay a claim

Under some circumstances, this policy will not provide any insurance cover to You, for example, Timber Pest Damage occurring in areas not Readily Accessible, inaccessible or obstructed when the Pest inspection is performed. You should read your policy wording and make yourself aware of all the exclusions that apply.

Making a Claim

What You Must Do If You Discover Timber Pest Activity And/Or Timber Pest Damage

If (active) live termites or wood borers are discovered during the Policy Period, You must contact Calliden or JLT **immediately** and follow their instructions.

You must notify Us in writing of evidence of any Timber Pest Attack i.e. any Timber Pest Activity and/or Timber Pest Damage as soon as practicable after discovery of such damage (damage and/or activity or Attack) and during the Policy Period.

What Excess Applies

The first \$1,000 of each and every claim is payable by You.

How We Pay a Claim

When Timber Pest Damage occurs to the House and You make a claim, We will pay the cost of rebuilding your House or repairing the damaged portions to the same condition as when they were new up to the Limit of Cover.

These costs include all reasonable costs incurred to make good those parts of the House not suffering Timber Pest Damage, as a direct result of the rebuilding or repairing of the Timber Pest Damage approved by Us. These costs will not increase the Limit of Cover.

If You select Cover Option 2, We may also pay the reasonable cost of treatment of active Timber Pests subject to the Limit of Cover.

Important Terms Explained

The Definitions section of the attached Policy Wording explains the meaning of the important terms used throughout this PDS and Policy Wording.

GST

If You are not registered for GST, in the event of a claim We will reimburse You the GST component in addition to the amount that We pay.

The amount that We are liable to pay under this Policy will be reduced by the amount of any input tax credit that You are or may be entitled to claim for the supply of goods or services covered by that payment.

If You are entitled to an input tax credit for the Premium You must inform Us of the extent of that entitlement at or before the time You make a claim under this Policy. We will not indemnify You for any GST liability, fines or penalties that arise from or are attributable to your failure to notify Us of your entitlement (or correct entitlement) to an input tax credit on the premium.

If You are liable to pay an Excess under this Policy, the amount payable will be calculated after deduction of any input tax credit that You are or may be entitled to claim on payment of the Excess.

If You are unsure about the taxation implications of this Policy, You should seek advice from your accountant or tax professional.

General Insurance Code Of Practice

Calliden is a signatory to the General Insurance Code of Practice (Code). The Code aims to raise standards of service between insurers and their customers. Calliden's service standards are in accordance with the Code.

For any information about the Code, including a copy of the Code, contact Us or the Financial Ombudsman Service on 1300 78 08 08 or look at www.codeofpractice.com.au

Dispute Resolution Process

How You can resolve a complaint You have with Us

If You would like to make a complaint, We will do everything We can to try to resolve it as quickly and fairly as possible. The following paragraphs provide details on how You can lodge Your complaint and how Calliden will try to resolve it.

You may contact Us at any time if You are dissatisfied with any matter relating to Your insurance with Calliden, including:

- our decision on Your claim;
- our handling of Your claim;
- the service of our representatives, assessors, loss adjusters or investigators; and
- your insurance policy.

Contact Us

If You have a complaint regarding Your claim, please contact Your claims consultant.

If You have a complaint regarding Your insurance policy, please contact Us on 02 9551 1111 and We will try to resolve Your complaint straight away.

You can write to Us at:

Fax: 02 9551 1155

Address: PO Box 348, Milsons Point NSW 1565

How We resolve complaints

We will address all complaints, except where specific circumstances apply, in accordance with Calliden's Complaints Handling Process. This process is compliant with the Insurance Council of Australia's Code of Practice. Both the Code of Practice and our Complaints Brochure, which contains a guide to our process, are available upon request.

- We will handle all complaints without cost to You.
- A complaints consultant will be assigned to the management of Your complaint and will acknowledge Your complaint within 2 business days of receipt. If further information is required to consider the complaint, it will be requested at this time.
- The complaints consultant will aim to resolve Your complaint within a further 13 business days. In certain circumstances a longer period may be required, and We will request a later response date.
- The outcome of the complaint will be advised to You in writing, stating our reasons and any corrective action that will be undertaken.

If Your complaint is still unresolved

If We cannot resolve Your complaint within 15 business days or You are not happy with our response to Your complaint, You can seek an external review via our external dispute resolution scheme, administered by the Financial Ombudsman Service (FOS).

This national scheme is for consumers, free of charge and is aimed at resolving disputes between insureds and their insurance companies.

For more information call 1300 78 08 08 or visit www.fos.org.au

If the FOS is unable to address Your complaint then Calliden may be able to provide You with details of an alternative external dispute resolution service.

Privacy

Calliden respects Your privacy and operates at all times in accordance with its privacy policy. This privacy notification provides a summary of how Calliden treats Your privacy, and it is recommended that You read the policy in conjunction with this notice.

Calliden collects personal information to assess Your request for insurance, to administer Your policy, provide other insurance services as requested by You, and also to notify You about other Calliden services or promotions from time to time. At the time of collecting Your information we will inform You of the purpose for the collection and the consequences if You choose not to provide the information.

In order to provide its insurance services Calliden may need to share Your information with third parties including Your agent or broker and Calliden's reinsurers and claims providers (for a full list see Calliden's privacy policy).

In accordance with Calliden's privacy policy You may obtain access at any time to information that Calliden or its service providers hold on You. If You would like to contact Calliden about privacy, or would like to obtain a copy of the privacy policy You may do so through one of the following means:

- obtain the privacy policy online at www.calliden.com.au
- by phone 02 9551 1111
- by email to privacy@calliden.com.au
- by letter to Privacy Officer, PO Box 348, Milsons Point NSW 1565.

Pestwise Timber Pest Damage Insurance Policy Wording

Introduction

This policy is a legal contract between You and Us. Your policy is made up of:

- This policy wording
- The most current Certificate of Insurance issued by Us
- Any endorsements and
- Any other changes advised to Us in writing and agreed to by Us.

If You have paid Us the Premium, We will provide You the cover You have chosen as set out in the Certificate of Insurance and in this policy wording.

You or any other person insured under the policy must comply with all provisions of the policy otherwise We may be entitled to refuse to pay a claim or reduce the amount You are entitled to receive.

Definitions

The meaning of some important words and terms used in this Policy are set out below.

Accredited Consultant means a person or company who at the date of preparing the Inspection Report is a Timber Pest Detection Consultant Level 6 (as accredited by RSA) for timber pest work in accordance with the RSA handbook system and any additional requirements We may have.

Betterment means the part of any Loss associated with the use of materials of superior quality to those used in the House when new.

Building Owner(s) means the registered owner or owners of the House at any given time.

Certificate of Insurance means the important document forming part of the Policy setting out the details of your insurance cover.

Conditions Conducive to Timber Pest Attack means noticeable building deficiencies or environmental factors that may contribute to the presence of Timber Pests.

Follow-Up Inspection Report means a written RSA Follow-up Timber Pest Detection Report used to identify any changed circumstance in relation to the House and completed in accordance with the current edition of the RSA Handbook or

equivalent documentation provided by RSA.

House means a freestanding house used as a separate, self-contained dwelling by a single household. House includes any detached laundry, bathroom, toilet, garage or carport on the same parcel of land as the House as shown on the relevant Certificate of Title.

Inspection Report means a written RSA Standard Timber Pest Detection Report completed in accordance with the current edition of the RSA Handbook or equivalent documentation provided by RSA.

Limit of Cover means the maximum amount We will pay You. This is specified in the Certificate of Insurance and in this policy wording.

Loss means all reasonable costs incurred by You to repair or replace Timber Pest Damage as approved by Us. Loss includes reasonable costs approved by Us which You spend to repair or replace parts of the House with no Timber Pest Damage if the repair or replacement of these parts was necessary as a direct result of the repair or replacement of Timber Pest Damage.

Our Agent means Jardine Lloyd Thompson Pty Ltd

Policy Period means the time You are covered by this insurance. It is the 12 month period shown in the Certificate of Insurance.

Premium means the amount payable by You for the insurance provided by Us under this policy including all applicable taxes and duties.

Readily Accessible means:

- areas which can be easily and safely inspected without injury to any person or property;
- areas which are up to 3.6 metres above ground floor levels;
- roof spaces where the minimum area of accessibility is not less than 600 mm high by 600 mm wide; and
- subfloor spaces where the minimum area of accessibility is not less than 400 mm high by 600 mm wide;

provided that the spaces or areas permit entry.

Readily Accessible also means:

- (a) accessible subfloor areas on a sloping site where the minimum clearance is not less than 150 mm high, provided that the area is not more than 2 metres from a point with clearance of not less than 400 mm high and 600 mm wide; and
- (b) areas at the eaves of accessible roof spaces, that are within the Accredited Consultant's unobstructed line of sight and within arm's length from a point with clearance of not less than 600 mm high and 600 mm wide.

RSA means Report Systems Australia Pty Ltd (A.B.N. 39 002 410 835) which provides the approved RSA Handbook or equivalent documentation used by the Accredited Consultants.

RSA Handbook means the current RSA Handbook "Standard Timber Pest Detection Reports – Uniform Inspection Guidelines for Timber Pest Detection Consultants" and any future amendments and/or additions.

Timber means the wood products used in the structural framing and finishes of the House.

Timber Pests means one or more of the following wood destroying agents which are covered by your policy as shown in your Certificate of Insurance.

- (a) **Chemical Delignification** - the breakdown of Timber through chemical action.
- (b) **Fungal Decay** - the microbiological degradation of Timber caused by soft rot fungi and decay fungi, but does not include mould, which is a type of fungus that does not structurally damage wood.
- (c) **Wood Borers** - wood destroying insects belonging to the order 'coleoptera' which commonly attack seasoned Timber.
- (d) **Termites** - wood destroying insects belonging to the order 'isoptera' which commonly attack seasoned Timber.

Timber Pest Attack means Timber Pest Activity and/or Timber Pest Damage.

Timber Pest Activity means signs associated with 'active' (live) and/or 'inactive' (absence of live) Timber Pests at the time of inspection.

Timber Pest Damage means damage to Timber or impairment to the integrity of Timber resulting from attack by Timber Pests.

Treatment Costs means all reasonable costs incurred by You and approved Us in connection with or incidental to the appropriate treatment of active (live) Timber Pests.

You, Your means the residential Building Owner(s) of a House which is subject to the current Inspection Report noted in the Certificate of Insurance.

We, Us, Our means Calliden Insurance Limited (Calliden) (ABN 47 004 125 268, AFSL No. 234438)

1. Cover Provided

1.1 Option 1 Cover

We agree to pay You up to the Limit of Cover (described in Clause 2.1 below) for Loss arising out of Timber Pest Damage to the House:

- a) discovered during the Policy Period; and
- b) notified to Us during the Policy Period.

1.2 Option 2 Cover

1.2.1 If the Certificate of Insurance shows You are covered by Option 2, We will pay You as described above in clause 1.1 'Option 1 Cover'.

1.2.2 We will also pay You up to the Limit of Cover (described in 2.2 below) in respect of Treatment Costs arising out of active Timber Pests:

- a) discovered in the House during the Policy Period; and
- b) notified to Us during the Policy Period;

whether or not Timber Pest Damage has occurred.

2. Limit of Cover and Excess

2.1 The Limit of Cover for all Losses is \$100,000 in the aggregate for all claims for Timber Pest Damage made during the Policy Period.

2.2 The Limit of Cover for Treatment Costs incurred in the treatment of active (live) Timber Pests is \$10,000 in the aggregate for all claims for Treatment Costs made during the Policy Period.

2.3 You must pay the first \$1,000 of each and every claim. We will only pay the cost of the claim in excess of this amount up to the Limit of Cover. The Limit of Cover shall be applied in excess of the relevant deductible.

3. Exclusions

We will not pay for:

3.1 any Loss arising out of any Timber Pest Damage or any Treatment Costs arising out of the discovery of Timber Pests reported to Us:

- (a) 12 months after the Inspection Date shown in the Certificate of Insurance;

or

- (b) in the case of termites, after the period for frequency of inspections for the detection of termite infestation recommended in the Inspection Report has passed without any Inspection taking place;

whichever happens sooner.

- 3.2 Loss or Treatment Costs in respect of any evidence of Timber Pest Attack and Conditions Conducive to Timber Pest Attack identified in an Inspection Report prior to or during the Policy Period that has not been:
- a) controlled or repaired or rectified; and
 - b) recertified in accordance with the current edition of the RSA Handbook
- 3.3 Timber Pest Attack occurring in areas that were:
- a) not Readily Accessible;
 - b) inaccessible; or
 - c) obstructed;
- at the time of the Pest Inspection and noted in the Inspection Report as having been not Readily Accessible, inaccessible or obstructed.
- 3.4 The cost of:
- (a) any Timber Pest management program or preventative measures where Option 2 cover has not been purchased or does not apply; and/or
 - (b) the rectification or repair of any Conditions Conducive to Timber Pest Attack.
- 3.5 consequential loss of any nature except as covered by this policy.
- 3.6 any loss or claim arising indirectly or directly from or associated with:
- a) any devaluation of the House;
 - b) personal injury including but not limited to stress, anxiety and loss of sleep,
 - c) the need to find alternative accommodation including during any period of repair to or treatment of the House ; or
 - d) loss of income.
- 3.7. Betterment.
- 3.8 any Loss arising out of any Timber Pest Damage or any Treatment Costs arising out of the discovery of Timber Pests in respect of any alteration(s) or addition(s) to the House unless a Follow-Up Inspection Report is issued in respect of the alteration(s) or addition(s)
- 3.9 any damage to or Loss occasioned to carpets, fittings, furniture, personal property, stored materials, fences, gates, poles, bridges, wharves, jetties, landscaping timbers, garden structures, pergolas and trees.

4. Conditions

- 4.1 You must not incur any costs or expenses without Our written consent. We will pay costs or expenses incurred without our written consent if they are reasonable and necessary to avoid further Loss or Treatment Costs.
- 4.2 If We make a payment under this policy We will be subrogated to all of your rights of recovery against all persons and You must, at our request and expense, take all

reasonable steps and provide all assistance reasonably necessary to assist Us in the exercise of our rights.

- 4.3 If You have cover for termites You must make sure that You arrange for inspections to take place in accordance with the recommended frequency of inspections for the detection of termite infestation in the Inspection Report. We will refuse to pay a claim if You do not do this.
- 4.4 You must give notice of the discovery of any Timber Pest Damage to Us or Our Agent during the Policy Period.
- 4.5 You must start any appropriate treatment of Timber Pest Damage as soon as practicable after the discovery. Treatment must be approved by Us and performed by a pest consultant approved by Us.
- 4.7 We agree that the acts or omissions of any of You either prior to or during the Policy Period shall not prejudice the rights of any other of You to indemnity under this Policy provided that the insured seeking indemnity has not committed, condoned or otherwise been involved in the acts or omissions that affect your rights under the policy.
- 4.8 If the House is sold at any time during the Policy Period, the new Building Owner will automatically become insured by this Policy.
- 4.9 You do not have the right to cancel this Policy or receive any refund of the Premium other than under the 14 day Cooling-off Period described in the Product Disclosure Statement for this Policy.

powered by
calliden

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