



LANDLORD PROTECTION

Supplementary Product Disclosure Statement (SPDS) - Preparation date: 31 March 2020

Changes to the Product Disclosure Statement

This is a Supplementary Product Disclosure Statement (SPDS) issued by the insurer, The Hollard Insurance Company Pty Ltd (Hollard) ABN 78 090 584 473 AFSL No. 241436, Level 12, 465 Victoria Avenue, Chatswood NSW 2067.

This SPDS supplements the SGUA Landlord Protection Product Disclosure Statement (PDS), prepared on 26 June 2019 (effective from 1 July 2019).

This SPDS was prepared on 31 March 2020 and will apply to all Policies first issued on and existing policies which renew with an effective date on or after 22 April 2020.

This SPDS should be read with the PDS, Schedule and any other documents that make up Your Policy. Please contact Us if You require a copy of any previous PDS issued by Us to You.

Any terms used in this SPDS have the same meaning as defined in the PDS.

The purpose of this SPDS is to explain the changes to Our optional additional cover - Section 5 - Tenant's Default or Damage Rent Loss provided under Our Landlord Protection insurance product.

You should ensure that this Policy cover meets Your insurance requirements prior to purchasing this product.

The PDS is amended by the following:

1. Under the heading "Summary of Available Covers" on Page 1, the wording specific to "Optional additional covers" is deleted and replaced by the following wording:

Optional additional covers:

You can apply to buy the following additional sections, however, some optional additional sections may not be available independently and the provision of these optional additional sections are always subject to Our underwriting appetite. Policy terms, conditions, limitations and exclusions apply.

2. The wording under Section 5 - Tenant's Default or Damage Rent Loss on pages 11 - 12 is deleted and replaced by the following wording:

Section 5 - Tenant Default or Damage Rent Loss

Eligibility Considerations for New Policies

This cover may be provided as an optional cover to Your Policy subject to the provision of this optional cover being consistent with Our underwriting appetite at the time of purchase.

Eligibility Considerations for Renewal Policies

This cover may be provided as an optional cover to Your Policy subject to the following considerations where:

- i) Your expiring insurance Schedule specifies that this Section 5 - Tenant's Default of Damage Rent Loss cover is insured; and
- ii) the provision of this optional cover section remains consistent with Our underwriting appetite.

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If Your Schedule specifies that You are covered under this Section, We will insure You (subject to the other terms and conditions of the Policy) for loss of rent under a Lease suffered during the Period of Insurance arising from:

- a. the Premises being unfit for at least 7 days caused by Tenant Damage for which a claim under Section 4 has been accepted. The total payable by Us will not exceed the lesser of fifty-two (52) weeks rent or \$65,000 during the currency of any one Lease but We will not pay more than the weekly rent amount in the Lease up to a maximum of \$1,250 per week; or
- b. the default in payment of rent by the Tenant; or
- c. the departure of the Tenant from the Building without notice; or
- d. resulting from loss of rent due to a court or tribunal-ordered termination of the Lease due to hardship on the part of the Tenant; or
- e. loss of rent due to the death of a sole Tenant.

Provided that:

- i. no claim shall be admitted under this Section until such time as any bond monies collected under the state legislation applicable to residential tenancies are exhausted;
- ii. unless stated in the Schedule to the contrary, the total amount payable by Us for Section 5 (b), (c), (d) and will not exceed the lesser of the sum of six (6) weeks rent or \$2,500 during the currency of any one Lease.
- iii. *cover is unavailable to properties with Leases in a company name unless pre-authorized by SGUA.*

It is a condition of this Section of the Policy that You and/or anyone acting on Your behalf take all available steps to minimise rent loss. We may, reduce or refuse Your rent arrears claim if You or Your property manager:

- a. fails to issue or delays issuing rent arrears and termination notices to the Tenant; or
- b. fails to pursue or delays pursuing a court or tribunal order for the eviction of the Tenant following the expiry of the breach or termination notice.

The above processes should be followed in accordance with the relevant Tenancy Act in the State or Territory in which Your property is located.

Further, it is a condition of this Section that the actions of the property manager You appoint to manage the insured property shall be deemed to be the actions of the Insured.

Legal Expenses

We will cover You for legal expenses incurred for the purposes of recovering of any amount payable under Section 5, comprising court application and/or court lodgment fees and/or court-appointed bailiff/sheriff fees. We will further insure You for Your property manager's fees but only for attending the court or tribunal on Your behalf.

Provided that:

- a. the fee amount and structure is agreed in the management agreement with Your property manager prior to the commencement of court action; and
- b. the maximum amount payable under proviso (a) arising from any one claim is \$500.

The maximum amount that We will pay for Tenant Default Rent Loss (Section 5 (b), (c), (d) and (e) above) and legal expenses is \$2,500 in total during the currency of any one lease.

Other than set out above, the terms, conditions, exclusions and limitations are set out in the PDS.

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