



# Industrial Special Risks Protection

Product Disclosure Statement



This document is dated 1 June 2021 and issued by Our Ark Mutual Limited ACN: 627 006 213. Distribution of this document has been authorised by: Asia Mideast Insurance and Reinsurance Pty Ltd ACN: 079 924 851 AFSL 239926



## For more information, contact the Manager:

### General/Membership/Protection

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### Claims

Telephone: 1300 OUR ARK (687 275)

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### Complaints

Telephone: 1300 OUR ARK (687 275)

Email: [disputes@ourark.com.au](mailto:disputes@ourark.com.au)

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# INTRODUCTION

## ABOUT THIS DOCUMENT

This Product Disclosure Statement (**PDS**) is an important legal document. It is designed to help you understand what you need to know about Our Ark Mutual Limited (**Mutual**) and the Industrial Special Risks Protection (**Protection**) so you can make an informed choice about whether or not you wish to join Our Ark Mutual as a Member of the Mutual and how to apply for Protection.

Industrial Special Risks Protection is a financial risk product offered by Our Ark Management Pty Ltd (**Manager**) on behalf of Our Ark Mutual. It is provided by the Mutual on the terms contained in the PDS (subject to the operation of the Constitution).

Before you decide whether to join the Mutual or to hold Protection, please read this PDS, the [Financial Services Guide](#) and the Constitution carefully.

- Part 1 of this document is the PDS. It contains information about the Protection and how to become a Member of Our Ark Mutual including details about the rights and entitlements of Members and explains the benefits and risks that are relevant to purchasing Protection.

- Part 2 of this document is the Industrial Special Risks Protection Wording. It contains the terms and conditions on which Protection is provided by Our Ark Mutual including the benefits, exclusions, conditions and other details about accessing the Protection including how to make a claim.

You will be offered the opportunity to apply for Protection when you join as a Member of Our Ark Mutual. At that time, you will be given details of the amount charged for that Protection (referred to as your **Contribution**).

A Schedule of Protection will be issued to you when you purchase Protection and this forms part of the terms and conditions of the Protection. See Part 2 of this PDS for further details.

Before making a decision about membership or Protection, please read this PDS carefully and keep it in a safe place for future reference.

Our Ark Mutual may update the PDS from time to time. When necessary, Our Ark Mutual will issue a supplementary or replacement document.

This document contains words that may have special meaning. Such words are characterised in Title Case. Their meaning for the purpose of this document is described in the [GLOSSARY](#).

For your quick reference, there are words in this document that are linked to other parts of the document or another document. Where



a link exists, the word with the link will be shown in a different colour with an underline.

## ABOUT THE MUTUAL

### What is Our Ark Mutual?

Our Ark Mutual is a non-profit company limited by guarantee that has been formed to operate a discretionary mutual fund to provide financial protection for the benefit of community organisations who are Members of the Mutual. Our Ark Mutual offers discretionary risk protection, including the Industrial Special Risks Protection and associated financial services solely to its Members. Claims on Our Ark Mutual may only be made by Members.

Industrial Special Risks Protection is one of the financial risk products offered by the Mutual. It is a financial risk product regulated under the Corporations Act 2001 (Cth) and it is an alternative to insurance – it is known as “discretionary risk protection” or “protection”.

As a discretionary mutual, Our Ark Mutual can use the combined purchasing power of its Members to spread the cost of risk and to provide additional benefits within the discretionary risk protection in areas where traditional insurers will not provide cover.

Our Ark Mutual and the Manager have worked closely with the community to design Industrial Special Risks Protection, a product

that is tailored to the needs of the members of the community, for example religious groups, educational institutions, healthcare facilities, aged care facilities and accommodation providers.

### Who is involved?

The Manager is an authorised representative (AR No: 1283496) of Asia Mideast Insurance and Reinsurance Pty Ltd (**AMIR**) (AFSL No: 239926). The Manager will act as the manager for the Mutual and will offer membership and Protection on behalf of the Mutual. More information about the Manager is contained in the [Financial Services Guide](#).

The Manager is your first point of contact for any enquiries about membership and Protection. Our contact details are at the front of this document.

### How is Our Ark Mutual managed?

The Board of Our Ark Mutual manages the Mutual with the assistance of the Manager who acts as a financial services and claims service provider, manager and membership administrator. The Manager will make offers of membership and Protection to eligible property owners who wish to participate and become a Member.

The Board must abide by the Constitution of Our Ark Mutual, which sets out the objectives of the Mutual, its powers as a company limited by guarantee, the rules governing its operations, the



eligibility criteria of Members, the election of directors and the conduct of Members' and directors' meetings.

It also contains the power to exercise discretion in response to a Member's claim for Protection should a Member suffer loss or damage of the type described in the Protection Wording (see Part 2 of this PDS for full details of the terms of Protection).

Each Member of Our Ark Mutual is entitled to appoint a representative to vote at a general meeting of members. One or more of the directors are also representatives of the Members.

The Board also has the discretion to appoint other non-executive and independent directors, allowing them to participate in the decision-making process and represent the membership base.

Members of Our Ark Mutual have the right to have a claim for Protection considered by the Board and the Board has the absolute discretion to accept or refuse a Member's claim for Protection. Discretionary Protection is described in more detail on page 10.

## HOW DOES IT WORK?

### Member-based community

The structure of Our Ark Mutual means it is owned by its Members and you will be invited to join as a Member before you are offered Protection. Only Members of Our Ark Mutual are entitled to access

the benefits of the Protection when they pay their annual Contribution.

The Mutual will use the combined resources of all Members to fund the Protection and other operating costs. The combined resources of Our Ark Mutual as collected from all Members effectively funds the payment of Protection claims by the Mutual.

The advantage of the Mutual's structure is that it provides a cost effective way for property owners to manage their financial risk. By managing the risk pool in this manner along with the tax advantages, Contributions can be kept to a minimum.

As a mutual, where Members are part of a community, it is incumbent on Members to engage as a community. The power of the community is that it creates scale, as a whole, allowing the variable loss experience of individual Members of the community to be pooled. Member ownership of the Mutual allows savings from that pooling to be retained by the Mutual for the benefit of the Members.

### Resilient Community

The success of the community is dependent on the Members. This includes how they manage their own risks and their behaviour relative to generally accepted norms. Failure of a Member to exhibit these desirable attributes may result in the Member no longer being welcome to continue participating as a Member of the Mutual and renewal not being offered on their Protection.



## Strong Member Attributes

Typical Members of the Mutual are committed to proactive risk management and will have the following attributes:

- they provide information truthfully and accurately in respect to their Protection and claims;
- they fully cooperate with all reasonable requests in the course of processing their claim;
- they do not expect their Protection to fund relevant maintenance that they may need to carry out over the life of owning a Building, including but not limited to:
  - roof and gutter deterioration;
  - seals in wet areas; and
  - components that have reached end-of-life;
- they do not expect their product to protect them in situations that they can prevent, such as deliberately damaging the Building or Contents;
- they address problems as soon as they become aware of them, including arranging for leaks to be repaired; and
- they take due precaution to minimise the chance of a loss event or further loss including where relevant:
  - ensuring Building(s) are secured; and
  - securing the keys to Building(s).

If all Members adopt a mindful and respectful attitude to risk management then the Mutual will thrive and the pooled

Contributions can be used widely to protect Members when they need it most.

## GLOSSARY

Words with a special meaning:

**AFSL:** Australian Financial Services Licence

**AMIR:** Asia Mideast Insurance and Reinsurance Pty Ltd, ABN: 67 079 924 851 (AFSL No: 239926).

**APRA:** Australian Prudential Regulation Authority

**ASIC:** Australian Securities & Investments Commission

**Assessed Loss:** The amount that we have determined is the total of the Loss to your Building(s), Loss to your Contents, Money, Breakdown of Mechanical and Electronic Equipment and Consequential Loss.

**Board:** The Board of the directors of Our Ark Mutual Limited.

**Building(s):** Permanent structures, including permanently attached fixtures, fittings and structural improvements, which are owned by you or for which you have assumed financial responsibility, mainly used for commercial or charitable purposes and located within the cadastral boundaries at the Protected Address. This includes landscaping, lawns, plants, shrubs and gardens.

However, Building(s) excludes all of the following:

- Contents;
- land, earth or fill;
- temporary structures;
- Retaining Walls constructed of wood, tyres or other non-permanent materials;
- boat ramps, breakwaters and seawalls, flood walls, and levees;
- culverts and dams;
- wells and boreholes; and
- any neighbouring property owner's share in any private road, lane, right-of-way, access way, walls, retaining walls, fences, gates, pipes, cables or driveways where those things are jointly owned by you and other property owners.

**Catastrophic Events:** Significant events leading to large losses. Such events include but are not limited to:

- nuclear explosion or contamination, fire, flood, earthquake, tsunami, cyclone, severe storm and hail;
- pandemic and epidemic disease or health events;
- undeclared war, civil war, civil unrest, riot, insurrection, rebellion or revolution and hostilities;
- warlike acts by a military force or military personnel, or the destruction, seizure or use of property for military purpose;
- terrorism or threat of force or violence to a person or group or class of persons, or to property by one or more persons, claiming to be committed to a cause whether political,

religious, ideological or similar purposes, including an intention to influence a government, or invoke fear.

**Consequential Loss:** Loss that occurs when the Protected Property is unable to operate as normal for your Operations due to certain interruptions or interferences.

**Constitution:** The current rules governing the relationship between the Mutual, its Members and Mutual Capital Instrument (**MCI**) Holders.

**Contents:** All stock, mobile machinery, equipment, plant, fixtures, fittings and furniture which are owned by you or for which you have assumed financial responsibility and which are mainly used by you for commercial or charitable purposes.

However, Contents exclude all of the following:

- Buildings;
- land, earth and fill;
- building materials;
- credit, debit and other bank cards;
- unset gemstones;
- Money;
- documents and manuscripts;
- any item displayed for sale;
- aircraft (except for Hobby Aircraft);
- Watercraft over 8 metres in length and associated spare parts, tools and accessories; and
- any vehicles or trailers registered or licensed to travel on a public road, and associated spare parts, tools and



accessories. However, this exclusion does not apply to any vehicles temporarily registered or licenced to travel on a public road whilst such vehicles are at the Protected Address.

**Contribution:** The amount we will charge you for the Protection for the duration of each Protection Period.

**Damage:** Physical harm to tangible property that impairs its value, usefulness or normal function.

**Employee:** Any person that you have the right to direct during your business activities who is:

- employed by you;
- apprenticed to you;
- hired or seconded from another party by you;
- an executive, director or officer of your business whilst performing acts falling within the scope of the usual duties of an employee; or
- a voluntary worker.

**GST:** Goods and services tax per the meaning given in the A New Tax System (Goods and Services Tax) Act 1999.

**Hobby Aircraft:** Any machine or apparatus, with or without an engine, which is capable of flight and does not require a licence to operate.

**Hurdle:** The amount which your claim must exceed to be protected. The amount may vary by type of claim and will be shown on your Schedule of Protection.

**Income:** The money paid or payable to you arising from your Operations including tithes, offerings, gifts, donations, grants, government subsidies, proceeds of sales, rent (including money paid as outgoings by the lessee under the terms of the rental or leasing agreement) and other receivables after the deduction of all discounts allowed.

**Interested Party:** Is a person with a financial interest in the Protected Property. You may tell us about Interested Parties when you apply for your Protection and they will be noted on your Schedule of Protection.

**Limit(s) of Protection:** The applicable limit(s) provided by the Protection you hold, as stated in this PDS or on your Schedule of Protection.

**Loss, Losses, Lost:** Sudden and unforeseen physical loss.

**Mechanical and Electric Equipment:** Any heating, cooling, venting device or machinery, plant, and hand-held power tools or any other motorized or powered device or machinery.

**Member:** A person, corporation, organisation or entity that has been admitted to membership of the Mutual in accordance with the Constitution.

**Money:** Legal tender including bank notes, coins, bullion, cheques, bills of exchange and promissory notes, belonging to you or for which you are legally responsible.





**Occurrence:** An event, including continuous or repeated exposure to substantially the same conditions, which results in Property Damage that is neither expected nor intended.

**Operations:** The business, activities or services specified in your Schedule of Protection including any related incidental activities.

**Our Ark Management, the Manager:** Our Ark Management Pty Ltd, ABN: 42 619 600 118 (AR No. 1283496).

**Our Ark Mutual, the Mutual:** Our Ark Mutual Limited, ABN: 18 627 006 213.

**Personal Effects:** Personal belongings, but not including cheques, Money, credit cards or negotiable instruments.

**Product Disclosure Statement (PDS):** The document named Product Disclosure Statement issued by the Mutual.

**Property Damage:** Physical loss, physical destruction or physical injury to tangible property, specifically excluding personal injury to any person.

**Protected Address:** The addresses and place(s) noted on your Schedule of Protection where the property subject to the Protection is located.

**Protected Property:** Your Building(s), Contents, Money and Mechanical and Electronic Equipment at a Protected Address.

**Protection Period:** The duration of your Protection as stated in your Schedule of Protection.

**Protection(s), Industrial Special Risks Protection:** A miscellaneous financial risk product used to manage industrial special risks, issued to a Member in accordance with the Constitution.

**Retaining wall:** A wall which is not part of a building, designed to hold back or prevent the movement of earth or water.

**Schedule of Protection:** The current Schedule issued by the Mutual to you which sets out the scope and extent of the Protection granted to you including any Special Conditions applying to the Protection(s).

**Special Condition:** An additional term applied specifically to your Protection over and above the terms included in this PDS.

**Specified Protection Amount:** The amount(s) we agree to protect the Protected Property and Consequential Loss for. The amount(s) and the details of the Protected Property are noted on your Schedule of Protection and is the most we will pay if you claim for Loss or Damage to that property or for Consequential Loss.

**Total Loss:** Loss that occurs when the Protected Property is totally destroyed or is damaged in such a way that it can be neither recovered nor repaired for further use.

**Watercraft:** Any vessel, craft, or thing made or intended to float on or in or travel on or through or under water. This also includes the Watercraft's:

- hull, motors and machinery;
- equipment and accessories;



- sails, masts, spars, booms and fittings, standing and running rigging;
- trailer; and
- tender and life boats.

**we, us, our:** Our Ark Mutual.

**you, your(s):** A member who holds a Protection as described in your Schedule of Protection.

# PART 1

## PRODUCT DISCLOSURE STATEMENT

### DISCRETIONARY RISK PROTECTION

Why does the Board have discretion to approve claims?

To qualify as discretionary protection, it is important for the Board to have the absolute discretion to accept or reject a Member's claim. Otherwise there is a risk that the product would be considered an insurance product, and the Mutual would be required to be authorised under the Insurance Act 1973 (Cth) to conduct an insurance business.

By offering Protection that is discretionary, the Mutual is able to offer its Members a financial product for management of their industrial special risks without establishing an insurance company. Discretionary protection is a financial product which is regulated by ASIC. ASIC supervises AMIR, as the holder of the AFSL for the offer of financial products by the Manager and the Mutual.

APRA regulates insurance companies, but not discretionary mutuals such as Our Ark Mutual. This means the Mutual is not subject to the prudential standards which apply to insurance companies and are set by APRA or the provisions of the Insurance Act 1973 (Cth). The Protection is not subject to the Insurance Contracts Act 1984 (Cth).

Insurance is different to Protection because an insurer must indemnify a policyholder if the claim comes within the policy terms and conditions. Protection involves the Board deciding whether to exercise its discretion to pay a claim based on its understanding of the Member's claim and its potential impact on the financial position of the Mutual.

The Board's discretion will be exercised fairly and consistently, and with all due consideration to the merits and circumstances of each claim and the terms and conditions for the Protection set out in Part 2 of this PDS. The Board comprises non-executive independent directors as well as representatives for the Members, the Manager, and representatives acting for Mutual Capital Instrument Holders, in accordance with the Corporations Act 2001 (Cth).



The Board sets guidelines to ensure that they exercise discretion in the interests of the Members and they will consider whether your claim falls within the Protection Terms and Conditions when deciding whether you qualify for the payment of your claim.

Notwithstanding that the Protection offered is not insurance, the Board seeks to maintain adequate claims provision, surplus assets, and insurance cover (as an excess of loss program to protect the Mutual from financial exposures). The Mutual also abides by governance policies and protocols which are benchmarked to the standard of the generally accepted reserving practices expected of a general insurer as contained in APRA's prudential standards. There is no guarantee from the Federal Government's Financial Claims Scheme in the event of insolvency of the Mutual.

This PDS explains the scope of protection available to Members including the risk management and other behaviours expected of Members and this gives Members an indication of the circumstances when the Board is likely to exercise its discretion in favour of the payment of a Member's claim.

### **What are the Significant Risks?**

Protection is a financial product and you should be aware of the following:

- Protection is not an insurance product.

The Mutual provides discretionary risk protection (Protection) which is a 'miscellaneous financial risk product'. This means that

there is no automatic right of indemnity under the terms of the Protection. Instead, there is an automatic right to have a claim considered and the Member may ask the Board to exercise their discretion to indemnify them for the loss. The payment of all claims is at the discretion of the Board.

- Whether there is adequate funding of the Mutual

If a large number of claims are made in any one year that exceeds the amount of Contributions that the Mutual has set aside to pay claims, there could be a risk that a Protection claim would not be paid.

To avert this risk, the Manager provides the Mutual professional advice as to the adequacy of the Contributions to meet likely claims liabilities. In addition, the Mutual purchases excess-of-loss insurance cover to meet claims that exceed the Mutual's self-retention limit.

Upon the occurrence of a Catastrophic Event, the Board may make a decision not to pay any claims resulting from that event, or to make a reduced payment, in the interests of all Members. For instance, the Board may exercise its discretion to pay claims on a proportional basis depending on the total amount of Contributions collected from its Members and the number and size of claims, as a way to ensure that all Members with claims caused by a particular event are treated fairly.

- A Member could lose their Protection entitlements if their membership is cancelled



The Mutual is operated for the benefit of all Members. The Board reserves the right to expel Members in circumstances which are in the best interests of the Members as a whole, or where a Member breaches the rules of membership.

## FINANCIAL INFORMATION

### Cost of Protection

A Contribution is the amount you pay to Our Ark Mutual for each Protection Period while you require Industrial Special Risks Protection. Because the Mutual is a not-for-profit entity, there is no 'profit factor' built into the calculation of your Contribution.

Our Ark Mutual calculates the amount of the Contribution based on key factors which are relevant to your risk.

### Tax implications

Your Contributions may be tax deductible. Contributions will be subject to GST. This will be included in your quotation when you purchase Industrial Special Risks Protection.

There is no stamp duty or other insurance taxes (e.g. emergency services levy) payable on the Contribution.

Our Ark Mutual does not provide any advice on the individual tax treatment for Members of having membership and Protection or

the treatment of any claims that are paid to Members. Members should seek their own advice on tax issues.

### Dealing with surplus

At the end of the financial year, there may be a 'surplus' of funds held by Our Ark Mutual – this is the amount that Our Ark Mutual retains and has not paid out in claims to Members at the end of the financial year.

The Mutual may in its discretion reserve these funds for additional and likely claims from Members and/or apply a surplus from a previous financial year to assist claim payments in future years as well as offer other benefits, reduce Contributions for Members, provide increased protection to Members, pay a dividend to Mutual Capital Instrument Holders where appropriate to do so, or for any other use approved by the Board on the grounds that it is considered beneficial to the membership base (e.g. the development of risk management programs) or which is permissible under the Constitution.

Unlike other public companies, Members are not entitled to receive surplus funds on voluntary winding up or after the closure of the financial year in order to preserve the tax treatment.

If Our Ark Mutual is wound up, the Mutual could use a surplus for the purposes of its objects including in any successor mutual or risk vehicle, to offer other products and services that benefit the



Members or by transferring it to other non-profit organisations which provide benefits to the Members.

### Estimating future payments

On the advice of its professional consultants and the Manager, Our Ark Mutual will calculate the total amount of Contributions reasonably required to ensure that it will have appropriate financial resources to discharge claims liabilities.

Each year, Our Ark Mutual will model its future claims liabilities to Members based on a mathematical model and independent actuarial advice. The Mutual will manage these future liabilities and payments through its risk assessment process and reserves.

## PROTECTION PERIOD

At least 28 days before the end of the current Protection Period, you will be provided with an offer to renew your Protection for another year or you will be notified that the Mutual is unable to renew your Protection.

If we notify you that your Protection will not be renewed, it will cease on the date and time shown on your current Schedule of Protection.

If we offer you another period of protection, the notification document will include an updated Schedule of Protection. The terms of the Protection offered for the next period may be adjusted from those that applied in the current period.

The adjustments will be clearly communicated and will include the amount of your Contribution, Hurdle, Specified Protection Amount for your Buildings and/or Contents, and Special Conditions. We may also issue a new PDS or update this PDS if the Protection offered changes substantially.

## CANCELLING PROTECTION

You may choose to discontinue your Protection at any time. This can be done in a number of ways:

- Email us at [hello@ourark.com.au](mailto:hello@ourark.com.au).
- Call us on 1300 OUR ARK (687 275).

### During cooling off period

Where you cancel within 20 days of the commencement of the Protection Period and you have not and do not wish to lodge a claim relating to that period, you will be fully refunded any Contribution that has been collected for that period. This is known as the cooling off period.

### After cooling off period

If you choose to cancel at any other time, a refund will be provided for the period between the cancellation date and the end of the current Protection Period (**cancelled Protection Period**). The amount of the refund will depend on the proportion of the total



year's hazard that applies to the cancelled Protection Period and may not be proportional to the remaining Protection Period. For example, the storm/cyclone season from October to April presents a higher hazard than the rest of the year.

In certain circumstances the Mutual may cancel a Member's Protection prior to the end of the current Protection Period and a refund may be provided for the cancelled Protection Period. These include situations where:

- You have lodged a fraudulent claim or grossly misrepresented information about you in the application for protection; or
- You have not paid your Contribution within 14 days of its due date.

## CHANGING PROTECTION

You need to tell us within 30 days if your circumstances change in such a way that may require changes to your level or type of Protection, or that increase the risks that are relevant to your Protection. In particular, you need to advise us if any of the answers provided in the application for Protection are no longer correct.

You can do so by emailing us at [hello@ourark.com.au](mailto:hello@ourark.com.au) or calling us on 1300 OUR ARK (687 275). All changes will take effect from the date and time you nominate in the future, which may be any time from when you advise us of the change through to the end of the

current Protection Period. We will issue you with an amended Schedule of Protection where relevant.

Your Contribution for your current Protection Period may change depending on the nature of the update. We will advise you promptly if additional Contributions must be paid by you. Additional Contributions will be due 14 days from when we issue you an amended Schedule of Protection. The amended Schedule of Protection will also advise what action we will take if you do not pay your additional Contributions by the due date.

Where the changes are made after you have been offered to renew your Protection for a future Protection Period, a revised offer to continue Protection will be prepared and sent to you based on your new circumstances.

## PART 2

## PROTECTION WORDING

Limits apply to this Protection. They are summarised in the [LIMITS OF PROTECTION](#) section.



## THE PROTECTION

### Loss to Your Building(s)

We may protect you for loss, destruction or damage to your Building(s) at the Protected Address(es).

For each Building that you have disclosed to us, you must select a basis for cover and, as relevant, a limit of Protection from the following:

- Full Replacement Basis (default);
- Fixed Limit Basis; or
- Removal and Make Safe Basis.

Details about these limits can be found on page 17 of this document.

### Loss to Your Contents

We may protect you for loss, destruction or damage to your Contents at:

- the Protected Address(es); or
- any other location where your Contents are located for a continuous period not exceeding 45 days; or
- any other location where you or your officials or Employees are working or living for a continuous period exceeding 45 days.

We may also protect loss, destruction or damage to the Personal Effects of officials or Employees which occurred at the Protected

Address(es), to the extent that these items are not otherwise covered by policies of insurance.

### Money

We may protect you for loss of or damage to Money which occurs while the Money is:

- in your Buildings at the Protected Address(es);
- in transit to or from the Protected Address(es) and is in custody of one of your officials or Employees;
- in the private residence of one of your officials or Employees authorised to take the money to their residence until the next bank business day; or
- in a securely locked safe.

### Breakdown of Mechanical and Electronic Equipment

We may protect you at the Protected Address(es) for:

- breakdown of mechanical equipment;
- explosion of boilers and pressure vessels;
- the cost of replacement of refrigerated goods, and the cost of actions taken to reduce deterioration of refrigerated goods, where those costs arise due to breakdown or damage to refrigeration requirement or interruption of its power supply;
- breakdown of electronic equipment;
- the cost of restoration of electronic data to a condition equivalent to that existing prior to the occurrence of the breakdown; and

- the cost of alternative equipment to replace the damaged equipment whilst awaiting completion of repair or replacement.

## Consequential Loss

We may protect you during the period that you are unable to operate as normal for:

- **Loss of Income:** The loss of Income that normally would have applied, less savings to your normal operating expenses that have ceased or reduced due to the Loss; and
- **Increased cost of working:** Additional expenditure you incur in order to lessen the reduction in Income, resume or maintain your normal Operations.

where interruption or interference with your Operations is caused by:

- loss, damage or destruction of your Building(s) or Contents at the Protected Address(es);
- damage to computer installations utilised by you;
- landslide, bushfire or flood that directly prevents or hinders access to the Protected Address(es);
- interruption in the supply of communication services, electricity, gas, water or sewerage utilised by you;
- an outbreak of human infectious or contagious disease or the discovery of an organism likely to result in human infectious or contagious disease, but only where the

interruption is directly caused by the disease or organism being present at the Protected Address(es);

- the orders of a civil, public or other authority that impact access to or the use of the Protected Address(es), except where this is directly or indirectly related to an outbreak of human infectious or contagious disease or an organism likely to result in human infectious or contagious disease;
- bomb threat;
- poisoning directly caused by the consumption of food or drink provided by you at the Protected Address(es);
- death or injury occurring at the Protected Address(es); or
- the interruption of business of a supplier caused by property damage at the supplier's premises.

## ADDITIONAL BENEFITS

When we accept a claim for a loss covered by the Protection, you can also claim for related costs in addition to that loss, as detailed in this section.

Limits apply and are summarised in the [LIMITS OF PROTECTION](#) section on page 17 of this document.

### Make-Safe, Demolition and Debris Removal

The reasonable cost of:

- emergency building repairs needed to prevent further loss or damage and make your Building(s) safe and secure;





- demolishing and related removal of damaged Buildings or part thereof;
- removing debris and/or damaged Contents from the loss location;
- cleaning up the location; and
- firefighting costs and other costs to prevent or limit imminent damage to the Building(s) and Contents covered by the Protection.

### Professional Fees and Claim Preparation Costs

The reasonable cost of:

- professional fees for an engineer, architect or surveyor required as a result of the building works required following the loss, destruction or damage; and
- professional fees for financial advisers (including fees of accountants, loss adjusters and/or valuers you appoint) and such other reasonable expenses incurred by you for the preparation of claims for a loss covered by the Protection.

## LIMITS OF PROTECTION

The following limits apply to the Protection.

### Loss to Your Building(s)

For each Building that you have disclosed to us, you must select a basis for cover and, as relevant, a Limit of Protection. The default

basis of Protection (if no other basis has been selected) is Full Replacement.

Regardless of the basis selected, where the loss arises due to gradual forces or gradual damage, the Protection is limited to \$10,000 per Occurrence (whether it involves either or both a Loss and/or Damage).

### Full Replacement Basis

- The reasonable cost to rebuild your Building to a similar standard and quality to that which applied before the loss (full replacement).

### Fixed Limit Basis

- The reasonable cost to repair or rebuild your Building to a similar or higher standard and quality to that which applied before the loss or damage, up to the Specified Protection Amount; or
- Reimbursement of the Specified Protection Amount.

### Removal and Make-Safe Basis

- The reasonable cost to remove your damaged Building and reinstate the site to a safe standard up to the Specified Protection Amount.



In addition to the amount above for Full Replacement or Fixed Limit rebuilding, you are protected for the reasonable cost of safe and secure storage of your Contents for the duration of the rebuilding works.

### Loss to Your Contents

- For items that are individually recorded on your Schedule of Protection, the Specified Protection Amount for the item as relevant.
- For items that are NOT individually recorded on your Schedule of Protection, \$250,000 per item, to the annual aggregate limit recorded on your Schedule of Protection.
- For Personal Effects of officials or Employees, \$20,000 per Loss event.

If your Contents are physically lost or destroyed and cannot be restored, repaired or replaced, subject to the limits above, the higher of:

- the market value immediately prior to the Loss;
- the value as evidenced by a recent valuation; or
- the value as determined by a suitable expert who is able to place a value on the Contents from photos or other descriptive information.

### Money

- \$10,000 per Loss event.

### Breakdown of Mechanical and Electronic Equipment

- \$100,000 per Loss event, per Protected Address, unless otherwise shown on your Schedule of Protection.

### Consequential Loss

- The limits recorded on your Schedule of Protection.

### Make-Safe, Demolition and Debris Removal

#### For Your Buildings

- Full Replacement Basis: Up to 20% of your Buildings' full replacement value.
- Fixed Limited Basis: Up to 20% of the Specified Protection Amount.
- Make-Safe Basis: 100% of the Specified Protection Amount.

#### For Your Contents

- Up to 10% of the Specified Protection Amount for your Contents.

### Professional Fees and Claim Preparation Costs

- \$250,000 in total per Loss event, unless otherwise shown on your Schedule of Protection.



## EXCLUSIONS

The Board will not exercise its discretion to pay claims under this Protection when any of the following circumstances apply:

- A dishonest, fraudulent, reckless, criminal or malicious act or omission by you or by any official or Employee except where it occurs without prior knowledge or reckless disregard.
- A deliberate breach of any statute or regulation by you or by any office bearer, official or Employee except where it occurs without prior knowledge or reckless disregard.
- Loss of Money caused by fraud or dishonesty by you or any official or Employee.
- Theft caused you or any official or Employee.
- Loss, destruction or damage to Watercraft while in water.
- Loss, failure or damage which is covered by a warranty under which you can claim.
- Termites, insects, birds or vermin have caused loss or damage (other than when it causes subsequent water or fire damage).
- Your Building(s) or Content(s) are damaged, destroyed or contaminated by pollutants or pollution and there is no other damage at the Protected Address.
- Hydrostatic pressure causes damage to in-ground structures such as pools, spas or tanks.
- Any part of your Building(s) or Content(s) are damaged or destroyed in the course of construction, reconstruction or maintenance of contract value over \$50,000 (other than such situations that occur in the course of undertaking works relating to a claim for loss or damage under this Protection).
- You fail to prevent, contain or repair bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks or pipes used to hold or carry liquid within a reasonable period of time after becoming aware of damage or a leak.
- Loss, destruction or damage to your Building(s) or Content(s) occurs due to maintenance failures or failing to carry out reasonable repairs and maintenance.
- Equipment breakdown occurs after you became aware that the equipment was defective or required repair or rectification of a defect.
- Your mechanical equipment fails due to overloading, excessive stress, rust or corrosion or is at the end of its life.



## CLAIMS

### Making Claims

You can report a claim online at our website [www.ourark.com.au](http://www.ourark.com.au), by calling us on 1300 OUR ARK (687 275) or emailing us at [claims@ourark.com.au](mailto:claims@ourark.com.au).

We may subsequently need you to provide additional information or make your Building(s), Contents and/or financial records available for assessment or inspection by us or our representative.

As a Member of Our Ark Mutual, you will have an automatic right to have your claim for Protection considered by the Board of Our Ark Mutual.

The Manager will support the Mutual to manage claims and may make recommendations to the Board on whether or not to accept a claim and the amount to be paid. At its discretion, Our Ark Mutual may elect to take over the management or defence of any subrogated claim or recovery action.

The Board's discretion to refuse or reduce a claim is absolute. The Board has the power to pay claims that do not fall within the terms and conditions in Part 2 of this PDS. If the Board exercises its discretion not to pay the claim, or to pay only part of the claim, we shall advise you promptly.

In the event that a claim is submitted and there is fraudulent or dishonest conduct on the part of a party who is not a Member, the Board will make an assessment of all of the circumstances that led to the loss or damage in deciding whether to pay the Member's claim or not.

### Assessing Claims

Each claim can only relate to a single incident. If there is more than one incident, a separate claim will need to be submitted.

You must not repair, sell or dispose of any property prior to advising us of the loss or damage and allowing us the opportunity to assess the loss or damage, unless emergency repairs are required to prevent further loss or damage to the Protected Property.

We require you to give us and the Manager your full cooperation and comply with all our reasonable requests in relation to your claim, including but not limited to;

- supplying all information completely, truthfully and honestly about:
  - the incident giving rise to the claim; and
  - you or anyone else protected under your Protection;
- providing assistance needed to recover our costs from other parties;
- within a reasonable timeframe of our request, providing any information, written statements, evidence and help we may need in defending, prosecuting and investigating the claim;



- attending an interview with our assessor or investigator;
- assisting any agents appointed by us (such as solicitors); and
- attending court to give evidence.

If you receive any demand or claim arising out of any incident, copies of these are to be sent to us immediately. Furthermore, you must assist us in taking or defending legal action in your name, including providing statements to legal representatives and appearance at trial or any other court proceedings.

### Claim Hurdles

All claims are subject to a Hurdle which is displayed on your Schedule of Protection.

At the time of the claim, the amount determined as the loss under the Protection (the **Assessed Loss**), will be compared to the Hurdle. If the Assessed Loss does not exceed the Hurdle, your claim will not be paid.

### Accepting Claims

In most cases your claim will be accepted when you first make the claim using the information you have provided. This acceptance may be provisional, subject to the assessment of the loss or damage.

Where the claim is not able to be immediately accepted, it will be presented for review by the Board of the Mutual, or a committee appointed to represent the Board.

### Settling Claims

We will never pay more than the limits described in the [LIMITS OF PROTECTION](#) section.

We have the choice to settle your claim in many ways, including:

- paying for the reasonable cost of repairs;
- replacing/rebuilding the lost or damaged item(s);
- paying you a cash settlement or providing you with a store voucher for an amount equal to the reasonable cost of repair or replacement of the lost or damaged item(s); or
- any combination of the above.

When your Building(s) is declared a Total Loss we will first check whether there is an amount owed to an Interested Party. If that is the case, the Interested Party will have first claim against the payment from your claim. Where the amount owed to the Interested Party exceeds the claim payment, you will be responsible for the remaining debt to that party. Any surplus funds available from the claim payment after considering Interested Parties will be reimbursed to you.

When repairing your Building(s), we will always try to match colours and materials, but where products are unavailable we will use the closest possible match that is available. Additional costs resulting



from the unavailability of matching materials are not covered by the Protection. Whether we settle your claim by replacing, repairing or rebuilding, it will only be for the damaged areas of your Building(s). We will not pay for the costs to replace, repair or rebuild undamaged areas.

We will use the replacement value to determine the value of your Contents at the time of a loss. Where an identical item is no longer available, we will determine the replacement value on an item that is comparable.

After we have settled a claim, we may assert our rights of subrogation and assume ownership of the items claimed. You will be required to give to us all associated parts as relevant (such as remote controls) at this time.

We may commence or defend legal action in your name and recover our costs from a third party.

### **Appointing a Representative**

If you want to appoint someone to represent you, then you need to tell us and we need to agree. You can appoint someone to manage your claim for you like an employee or volunteer.

However, you can't appoint someone who has a conflict of interest – for example, someone who supplies goods or services to the Mutual for your claim such as a repairer/builder.

### **Complaints**

If you have a complaint about the handling of your claim or any other matter relating to the Protection, the process for lodging your complaint is detailed in the [Financial Services Guide](#).