



House Insurance Policy

Welcome!

We welcome **you** as a valued client.
You have entrusted **us** with the insurance of **your house**.
We value that trust.

This policy consists of this wording, the proposal and declaration, and the **certificate of insurance** completed on the basis of information that **you** have provided to **us**.

Please read this wording and the **certificate of insurance**. If there is an error of any sort, if **your** needs are not met or if **you** are in doubt then please contact **us**. **We** are happy to help at all times.

The extra cover provided under the Special Benefits and Optional Special Benefits is also subject to the general conditions, exclusions, obligations and limits of this policy.

In this policy some words are in bold, e.g. **you**. This may indicate that the words have a special meaning. To find out the meaning, please refer to the section – Meanings of Words.

Our Guarantee

If **you** are not completely happy with **your** policy, please tell **us** within 30 days of its commencement date. **We** may agree to change the policy to suit **you**. If not, and **you** wish to cancel the policy, **you** can as long as **you** have not made any claims. **We** will then refund any premium **you** have paid and **we** will both regard this policy as never commencing.

What You Must Tell Us

WE WOULD LIKE TO POINT OUT SOME OF THE IMPORTANT OBLIGATIONS YOU HAVE

It is essential all statements made in relation to this policy or any claim made under it are correct. **We** must receive all relevant information. This means that **you** must tell us everything **you** know, or could reasonably be expected to know, that may influence our decision to insure **you**. If any circumstances change or may change during the time **we** provide **your** insurance then **you** must tell **us**.

Examples of a change in circumstances or any other information may include:

- if any structural alteration or addition is made to **your house**;
- if **you** commit, are charged with, or convicted of, any criminal offence other than traffic offences.

These examples are a guide only. If **you** are in any doubt, **you** should disclose information whether or not **we** have asked questions that relate to it. If **we** are not told **we** have the option to decline any claim, or avoid this policy from the date of the change.

What Your House Is Covered For

Sudden and unforeseen accidental physical loss or damage to **your house** at the **situation** caused by:

- burglary, theft, malicious damage;
- fire, lightning, explosion or thunderbolt;

- impact by vehicles, animals not owned by **you** or under **your** control, aircraft or man made space devices, aerials, masts or satellite receiving dishes, falling trees or branches not caused by **you** or someone under **your** instructions;
 - or to fixed glass, mirrors, light fittings, hand basins, sinks, toilet pans, cisterns or shower trays;
 - strike, riot, civil commotion;
 - storm, cyclone, rain or flood;
 - water or oil discharged, overflowing or leaking from any installed water cooling or heating system;
 - **you** and for which **you** are responsible, to underground services between the **house** and the public mains;
- unless the loss or damage is not covered by this policy.

In no case will **we** pay more than the sum insured shown in the **certificate of insurance**.

What Special Benefits You Are Covered For

KEYS AND LOCKS

If **your house** keys are stolen or believed on reasonable grounds to be illegally duplicated **we** will pay up to K250, free of any **excess** to replace them and the locks. **We** will also pay the reasonable costs of opening any safe following theft or loss of its key or combination.

If **you** have this cover with **us** under any other policy then our maximum combined liability under all policies shall be K250.

TEMPORARY ACCOMMODATION EXPENSES

If **your house** suffers loss or damage for which a claim is accepted under this policy and is uninhabitable as a result, **we** will pay **your** reasonable temporary accommodation expenses up to K5,000.

No temporary accommodation expenses will be paid after repairs have been completed or **we** have paid **your** claim.

If **you** have this cover with us under any other policy then our maximum combined liability under all policies is K5,000.

ONE EVENT - ONE EXCESS

If **your house** suffers loss or damage for which a claim is accepted and at the same time **we** accept a claim for loss or damage to **your** contents or vehicle, that are also insured by us, **we** will only deduct one **excess** and that will be the highest **excess** applicable.

SWIMMING AND SPA POOL PUMPS AND MOTORS

This policy is extended to include loss or damage to **your** swimming or spa pool pumps and motors for their **indemnity value**. However, if **you** have insured **your house** for **replacement value** and the loss or damage is caused by fire or impact, **we** will pay the **replacement value**.

FUSION

We will pay up to K1,000 for damage caused by electric current burning out electric motors of any appliance forming part of **your house**. We will also pay up to K500 to replace gas lost from any air conditioning unit as a result of the burning out. If **you** also have this cover with **us** under any other policy, our maximum combined liability under all policies is limited to K1,000.

OPTIONAL SPECIAL BENEFITS

EARTHQUAKE

If **you** have selected this benefit **we** will pay for physical loss or damage caused by earthquake, volcanic eruption, geothermal or hydrothermal activity, tsunami, tidal wave or sea surge.

LOSS OF RENT AND LANDLORD'S FIXTURES AND FITTINGS

If **you** have selected this benefit and **your house** is let, lent, leased, rented or tenanted and suffers loss or damage for which a claim is accepted under this policy **we** will pay **you**:

- up to K15,000 or 12 months' rent, whichever is the lesser, as a result of **your house** being made uninhabitable. No loss of rent will be paid after repairs have been completed or **we** have paid **your** claim;
- the **indemnity value** up to K1,000 for loss or damage to **your** home appliances, furniture and chattels.

Liability Protection

We will cover **you** for up to K100,000 for **your** legal liability as owner of **your house** for claims made on **you** as a result of accidents at the **house** which cause loss or damage to property or **bodily injury**.

We will only pay for claims relating to accidents which happen during the period of insurance.

If **you** have Liability Protection with **us** under any other policy then our maximum combined liability under all policies is K100,000.

What You Are Not Covered For

GENERAL EXCLUSIONS

The **excess**;

or

- K100 when loss or damage is caused by earthquake, volcanic eruption, geothermal or hydrothermal activity, tsunami, tidal wave or sea surge.

Loss, damage or liability caused by or arising from, or claim for:

- aggravated, punitive or exemplary damages;
- any activity for financial return (other than domestic rent) whether for profit or not;
- any time or date device or any item of which it forms a part, arising from its failure to recognise any date, character or value as the correct date, character or value (e.g. Year 2000), however **we** will pay for any loss or damage which it causes to any other item;
- any unreasonable, criminal, reckless or wilful act or omission or any disregard for, or failure to comply with any provision in or notice or order under any form of legislation by **you**;

- confiscation, nationalisation or requisition by the order of Government or Local Authority but **we** will pay for any damage as a result of such an order if such damage is to prevent loss or other damage covered by this policy;
- earthquake, volcanic eruption, geothermal or hydrothermal activity, tsunami, tidal wave or sea surge other than the cover provided in the Optional Special Benefit Earthquake;
- fences, gates or awnings due to storm, cyclone, rain, flood or action of the sea;
- fines and/or other penalties or reparation orders;
- handling, transportation, storage, installation, removal, treatment or use of asbestos, asbestos products or asbestos contained in any products or materials;
- insects, rodents, or vermin. However resulting loss or damage other than that caused directly by them is covered;
- liability which arises only because **you** have agreed to take liability upon yourself;
- lifting or shifting **your house** or structural alterations or repairs including the removal or alteration of the roof;
- mechanical, electrical or electronic breakdown other than the cover provided in the Special Benefit Fusion. However the resulting loss or damage other than the mechanical or electrical breakdown is covered;
- mildew, mould, rot, corrosion, rust, gradual deterioration, contamination;
- neglect of maintenance, inherent fault or defective workmanship, materials or design;
- nuclear weapons material or ionising radiation or contamination by radio-activity from any nuclear waste or from the combustion of nuclear fuel including any self-sustaining process of nuclear fission or fusion;
- settling or cracking or movement of land;
- subsidence, landslip or erosion;
- theft, malicious acts or deliberate damage by persons living with **you** or lawfully at the **situation**;
- total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation, misappropriation, error in creating, amending, entering, deleting or using **electronic data** or total or partial inability or failure to receive, send, access or use **electronic data** for any time or at all from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

However, in the event that a peril listed below (where such a peril is insured by this policy but for this exclusion) is caused by any of the matters described above, this policy, subject to all its provisions, will insure physical loss of or damage or destruction to property insured directly caused by such listed peril.

Further, this exclusion does not apply in the event that a peril listed below (where such a peril is insured by this policy but for this exclusion) causes any of the matters described above.

Perils:

*Fire, explosion, lightning, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freezing, weight of snow, impact by aircraft or other aerial objects dropped therefrom, impact by any road vehicle or animal, bursting overflowing discharging or leaking of water tanks apparatus or pipes, or theft of **electronic data** solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such **electronic data**.*

For the purposes of any provision setting out the basis of settlement, computer systems records includes **electronic data**.

Any terrorism exclusion in this policy or any endorsement thereto prevails.

Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- war, invasion, acts of foreign enemy or enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any act of any person or persons acting on behalf of or in connection with any organisation the objects of which are to include the overthrowing or influencing of any de jure or de facto government by terrorism or by any violent means; or
- any **act of terrorism**.

This exclusion also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above.

If **we** allege that by reason of this exclusion, any loss damage, cost or expense is not covered by this insurance, the burden of proving the contrary shall be upon **you**.

- wear, tear, depreciation or action of sunlight.

Liability for:

- the ownership, use or possession of any mechanically propelled vehicle, trailer, caravan, watercraft, aircraft or other airborne devices.

How To Make A Claim

It is important **you** tell **us** immediately **you** become aware of any circumstances which may result in a claim.

You will be asked to complete a claim form. **We** must receive **your** completed claim form within 30 days.

In order to avoid delays with **your** claim **you** should also provide **us** with full details of **your** loss for which **you** wish to claim.

SOME OF YOUR OTHER IMPORTANT OBLIGATIONS ARE

You must:

- allow **us** to complete all necessary documents and authorities in respect of any claims under this policy as **your** authorised agent;
- allow **us** to inspect the loss or damage and deal with any salvage in a reasonable manner. No property may be abandoned to **us**;
- allow **us** to take over for our own benefit and settle any legal right of recovery **you** may have and **you** must co-operate fully in any recovery action;
- comply with all our requests relating to **your** claim including providing all co-operation, information and assistance;
- establish that **you** have complied with all **your** obligations under this policy and that none of the exclusions apply;
- inform the Police if it appears that there has been arson, theft, burglary or malicious damage;
- not discuss a claim made on **you** by another person with them. Instead, refer them to **us**;
- not make a claim that is false or fraudulent in any way;

- not start rebuilding or repairs to **your house** without our prior approval;
- provide **us** immediately with full particulars of any claim made against **you** by any other person and all legal documents served on **you** and allow **us** to instruct a solicitor of our choice to conduct **your** defence. **You** must follow the recommendations of that solicitor as to the conduct or continuation of the defence. That solicitor shall be entitled to confer with **us** when necessary as to the details of the case and the conduct or continuation of **your** defence;
- take all steps which **we** consider reasonable to prevent further loss or damage and see that any rebuilding or repairing is carried out promptly.

Otherwise **we** can decline **your** claim and/or recover any payment already made.

How We Will Look After Your Claim

Once we receive advice of your claim we:

- will acknowledge that **we** have received **your** claim form and ask **you** for any further information or assistance **we** may require to enable **us** to consider **your** claim;
- may appoint an assessor or loss adjuster to look after **your** claim.

How We Will Settle Your Claim

We will arrange for the repair, replacement or payment for the loss, once **your** claim has been accepted.

We will pay either:

- **replacement value**
- or
- **indemnity value**

as shown in the **certificate of insurance**.

We will also pay for all costs and expenses incurred by **you** with our approval in defending claims under Liability Protection plus any costs and expenses awarded against **you**.

In all cases:

- if **you** pay **your** premium by instalments and **your house** is a total loss **you** must pay the rest of the annual premium before **we** settle **your** claim;
- **we** will pay architects', engineers' and surveyors' fees in respect of the rebuilding or repairs where authorised by **us**;
- **we** will pay the costs of demolition and removal of debris including the contents;
- **we** may make payment to an interested party (e.g. mortgagee) if **you** have one. Their receipt will discharge **us** completely;
- **we** have the option to make payment, rebuild, replace or repair **your house**;
- **we** will use building materials and construction methods commonly used at the time of loss or damage;
- if, as a result of changes in government or local authority by-laws, **you** are not able to rebuild or repair the damaged part of **your house** to the same specifications as before the damage occurred, **we** will pay any

additional costs incurred to rebuild the damaged part, to comply with such changes in government or local authority bylaws;

- **we** will not pay more than the sums insured shown in the **certificate of insurance**.

We are not bound to:

- repair or reinstate **your house** exactly to its previous condition;
- pay the cost of replacement or repair beyond what is reasonable, practical or comparable with the original;
- pay for wall, floor or window coverings not located in the room or rooms where the loss or damage occurred;
- pay more than the **indemnity value** if **you** have **replacement value** until the cost of replacement is actually incurred. If **you** choose not to rebuild or repair **your house** **we** will only pay the **indemnity value**.

Cancelling This Policy

You may cancel this policy at any time by writing to **us**. **We** will refund 80% of **your** unused premium.

We may cancel this policy at any time by writing to **your** postal address on our policy records. The letter will contain at least 14 days' notice. **We** will refund **your** unused premium.

If **you** make a claim which is false or fraudulent in any way **we** may avoid **your** policy or cancel it effective immediately and **we** will not pay **your** claim.

Your policy is automatically cancelled if **your house** is a total loss and no refund of premium is given however **you** may apply to **us** to insure **your** new house.

Making Changes To This Policy

You can have this policy altered at any time as long as **we** agree in writing to such alteration before it takes effect. **We** can, in exceptional circumstances, alter the terms of this policy by writing to **your** postal address on our policy records and the change will take effect 14 days after the date of that letter from **us**.

Leaving Your House Unoccupied

Unless **you** have told **us** that **your house** is a holiday home, **you** must have our prior written confirmation if **your house** is going to be unoccupied for more than 30 consecutive days, otherwise cover under this policy is automatically suspended. Cover resumes as soon as **your house** is occupied again.

If **you** have told **us** that **your house** is going to be unoccupied **we** may, if **we** choose, change the terms of this policy. Any change will be notified to **you** in writing and will take effect 14 days after the date of the letter from **us**.

Inflation Protection

To help protect **you** from inflation the sum insured shown in the **certificate of insurance** may be increased at the renewal of **your** policy based on changes in the appropriate parts of the Consumer Price Index.

Your premium at renewal will be calculated on the revised sum insured.

Other Insurance

We will only pay over and above the cover provided by any other policy.

Automatic Reinstatement

In the case of partial loss or damage to **your house** we will pay the premium to reinstate **your** insurance after we meet any claim.

Jurisdiction

The laws of Papua New Guinea apply to this policy. The Papua New Guinea Courts have exclusive jurisdiction in relation to all legal proceedings about this policy.

Any judgement for costs and damages awarded by a Court in any other country or any judgement or order obtained in Papua New Guinea for the enforcement of a judgement obtained in another country is not covered.

Average

If at the time of any claim it is found that **you** have understated the value of **your house** then **you** will be considered to be **your** own insurer for the difference between the value of **your house** and the sum insured. **We** shall only pay a proportion of the loss based on value of the property **we** insure.

Currency And Taxes

All sums insured and policy limits are expressed in the currency of Papua New Guinea and exclude any value added taxes if applicable (eg GST). All claims will be paid in Papua New Guinea currency.

Meanings Of Words

- “**Act of terrorism**” means an act, including but not limited to the use of force or violence and/or threat thereof, of any person or group(s) or persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.
- “**Bodily injury**” means bodily injury (including death), illness, disability, disease, shock, fright, mental anguish or mental injury.
- “**Certificate of insurance**” means the certificate of insurance first issued to **you** or the current renewal certificate whichever applies and any endorsement certificates that have been added during the period of insurance.
- “**Electronic data**” means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.
- “**Excess**” means the amount of any claim which **you** must bear. The amounts are shown in the **certificate of insurance** and this wording.
- “**House**” means the domestic building(s) shown in the **certificate of insurance** **you** own at the **situation** including its fixtures and fittings (other than floor coverings not permanently fixed or glued in place, drapes and blinds) walls (other than retaining walls), gates, fences, underground and overhead services extending to the public mains, permanent swimming pools and spa pools (other than pumps or motors), and any other domestic structures on the same site (other than metal driveways or paths).

- “**Indemnity value**” means the cost at the time of the loss or damage of rebuilding, replacing or repairing to a condition no better than new, less an appropriate allowance for depreciation and deferred maintenance up to the sum insured shown in the **certificate of insurance**.
- “**Replacement value**” means the cost actually incurred to rebuild, replace or repair **your house** to the same condition and extent as when new up to the sum insured shown in the **certificate of insurance**.
- “**Situation**” means the situation shown in the **certificate of insurance**.
- “**You**” or “**your**” means the person(s) named in the **certificate of insurance** as the insured, **your** spouse and **your** children normally residing at the **situation**. **You** and **your** does not include a de facto partner, or immediate family members such as parents and grandparents or brothers and sisters unless they are named in the **certificate of insurance**. Where **you** jointly own the **house** this policy insures **you** jointly.
- “**We**”, “**us**” or “**our**” means TOWER Insurance (PNG) Limited.

Complaints Procedure

IF YOU HAVE A PROBLEM

While **we** make every effort to make things right, problems may sometimes occur. **We** have in place a complaints procedure that is intended to resolve any problem quickly and fairly. In order to avoid delay in solving a problem to **your** satisfaction, please follow the steps listed below:

1. In the first instance contact the Branch Manager of **your** TOWER Insurance Office.
2. If the Branch Manager is unable to resolve the problem **you** may make a formal complaint to:

The General Manager
TOWER Insurance (PNG) Limited
PO Box 136, Port Moresby
Telephone: 321 1388, Fax 321 1881

Your problem will be reviewed and **we** will make a formal response within a maximum period of 30 days.

We are a licensed Insurance Company under the Papua New Guinea Insurance Act 1995. Under that Act **we** have some obligations to **you**. **We** are required to:

- provide **you** with a policy within 30 days setting out **your** and our rights and obligations;
- advise **you** of our complaints procedure;
- be financially sound as prescribed by the Act, which means **we** have reserves equal to at least 10% of our net premium income.

There is an Insurance Commissioners office which is responsible for the administration of the Act. Their address is:

Insurance Commissioners Office
PO Box 122, Port Moresby
Telephone: 321 7966, Fax 321 7810