HOMEOWNERS INSURANCE POLICY

INTRODUCTION

This Policy consists of this wording, the Proposal and the Schedule completed based on the information that you, the Insured named in the Policy Schedule, have provided to us, Sun Insurance Company Limited.

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

The Policy is issued in consideration of you having paid or promised to pay the required premium in full.

YOUR DUTY OF DISCLOSURE

You must tell us everything you know, or could reasonably be expected to know, that may influence our decision to insure you or to provide you renewal of your policy and at what premium, terms and conditions.

If any circumstances change or may change during the time we provide your insurance, then you must tell us immediately upon such a change coming to your knowledge.

Examples of a change may include:

- Any renovations, modifications or changes to the insured property.
- Any change in occupation of the premises.
- Any losses to the insured property at any time prior to this insurance cover or during the insurance cover.

These examples are a guide only. If you are in doubt you should disclose information by emailing us, writing us or calling us the details, whether or not we have asked questions that relate to it.

We may change the terms on which we insure you, or the premium, to reflect the change in circumstances that you have disclosed to us.

If you do not comply with your obligations under this section, we have the option to decline any claim (and recover any claim payment already made).

PREMIUM

The Policy is issued in consideration of you having paid or promised to pay the required premium. The Premium must be paid at the inception of the insurance contract. Unless we have agreed in writing to an extension of this period, your failure to pay the premium within that time frame will render the insurance void. The Policy will then be treated as if it never existed.

Despite the foregoing, we may agree to accept payment of the premium in instalments. In that case, each instalment must be paid before the instalment falls due. Your failure to pay the instalment on time will cancel the insurance from the date on which payment fell due. This will as well serve as notice of Cancellation as stipulated under the Insurance Act.

If a claim for total loss of any Insured Property arises before the full premium has been paid; the balance of the premium must be paid before the claim is settled. Total loss of any Insured Property does not entitle you to any refund of the premium paid or payable for that property.

SUM INSURED

The Sum Insured shown in the Schedule is the most that we will pay for all loss of, or damage to, the Insured Property happening during the Period of Insurance except for the extensions provided for under *"YOUR SPECIAL BENEFITS"* and only where they have been specifically mentioned.

BASIS OF SETTLEMENT

Indemnity Value

If the Insured Property can be economically repaired, the basis on which we will settle your claim will be the cost of repairs less any resulting betterment.

If the Insured Property cannot be economically repaired, or if it is a total loss, the basis on which we will settle your claim will be the indemnity value of the property. This means that we will settle the cost of rebuilding to a condition no better than new, less any appropriate allowance for depreciation, deferred maintenance and salvageable components.

Whichever most nearly reflects your actual loss however limited always by the Sum Insured and subject to the Average Clause.

Replacement Value

If you have chosen to insure on a Replacement Value basis, the basis on which we will settle your claim will be the cost of Reinstatement if the property can be economically repaired. This means the cost of restoring the damaged part of the property to a condition much the same as it was when new. If the property can't be economically repaired, it means the cost of replacing it at the same site with property that is as nearly as practical the same when new, using modern materials and method however limited always by the Sum Insured and subject to the Average Clause.

Special Provisions

The insured cost of Replacement includes the extra cost of complying with current law.

However, this does not include the cost of work:

- that had already been required by notice served on you before the event that gave rise to your claim; or
- on any undamaged part of the property.

For the purpose of this clause, 'law' means any regulation or code imposed by statute or by-law governing the construction of property.

In order to insure on a replacement basis, you will need to provide an 'insurance replacement valuation' provided by a registered valuer.

WHAT YOU ARE COVERED FOR

This Policy indemnifies you against accidental physical loss of or damage to Insured Property during the Period of Insurance. The cover is subject to all terms of the Policy in so far as they can apply.

The Insured Property includes the following residential property where applicable:

- any house;
- any garage, carport, glasshouse or outbuilding;
- any garden wall, retaining wall, gate, fence or deck;
- any driveway of permanent construction that provides access to the house, garage or carport or to any parking area;
- any patio or path or paving or tennis court of permanent construction;
- any permanently installed water tank, swimming pool or spa pool;
- any underground or overhead service that you own or for which you are responsible;
- any floor covering that is fixed permanently in place;
- any fixed or built-in cooking, heating, washing, cleaning, security or air-conditioning appliance;

all being property that you own (or, in the case of services, for which you are responsible) at the Situation shown in the Schedule subject to specific declarations of such property and their relative values to which premiums shall apply.

YOUR SPECIAL BENEFITS

One Event, One Excess

Where we insure your vehicle and your house or contents and a claim becomes payable under more than one of these policies arising from the same event then we will deduct only one excess and this shall be the highest excess applicable under any of these policies.

Demolition and Removal of Debris

This Policy extends to cover any of these costs necessarily incurred following loss or damage to the Insured Property by an insured peril during the Period of Insurance:

(a) Demolition, dismantling, shoring up or propping of the property;
(b) Disposal of debris;
(c) Securing the property against further loss or damage while unoccupied.

This extension is limited to $50,000 per event and in the annual aggregate but the most we will pay for securing the property under (c) above any one event is $2,000 and is included within the said $50,000 limit.

Keys

If, during the Period of Insurance, any key giving access to Insured Property is stolen or is reasonably believed to have been unlawfully duplicated, this Policy extends to cover the cost of altering or replacing the affected locks and their keys. For the purpose of this clause, 'key' includes any equivalent device.

Claims under this clause are payable free of any Deductible. If you also have this cover under our Home Contents insurance policy, you can claim under either policy, but not both. The most that we will pay for costs arising out of any one event is $500.

Landscaping

If any of the Insured Property is damaged by fire or by impact from a vehicle during the Period of Insurance; this Policy extends to cover the cost of replacing any of your lawn, flowers, trees, hedges or shrubs damaged by the same event. The most that we will pay under this clause is $1,500 any one event.

Leakage
If, during the Period of Insurance, you find that water has been leaking from any water or waste system on the Insured Property, this Policy extends to cover the resulting damage up to a limit of $2,000 provided such leakage occurred during the time we insured your house.

Liability
This Policy extends to cover all sums that you become, or any member of your family who normally resides with you becomes, liable to pay as compensation consequent upon:

- accidental bodily injury to or illness of any third party (including mental injury such as that caused by shock, fright or anguish);
- accidental physical loss of or damage to third party property;

but only where this happens in or about the Insured Property during the Period of Insurance. To avoid doubt, the insured family members - whether ordinarily residing with you or not - , are not third parties.

This Policy excludes liability arising out of:

- claims made or actions taken outside Fiji;
- the ownership, possession or use of any mechanically propelled vehicle, any trailer, any watercraft or any aircraft or other aerial device. This does not apply to domestic garden implements;
- the use of any motor vehicle.

The Liability Limit shown in the Schedule is the most that we will pay under this clause for all liability that arises out of all accidents happening during the Period of Insurance.

In addition to the above, the Policy extends to cover all legal and other costs:

- awarded against you;
- incurred by us or with our consent;

in the defence or settlement of any claim that would fall within the scope of this extension of cover.

The limit of this cover is up to $500,000 any one claim and is also the most we will pay during any one policy period and is subject to a Policy Excess of $1,000.00.

Professional Fees
This Policy extends to cover the fair cost of any:

- architect's fees;
- engineer's fees;
- surveyor's fees;

that are reasonably incurred for reinstating the Insured Property following its damage by an insured peril. These fees are included in the sum insured by this Policy and in any event this shall be limited to $10,000.00.

Funeral Costs Benefit
This Policy extends to cover you or any other named insured under this policy for their funeral costs as a result of death from whatsoever cause except through suicide.

This is strictly subject to you or any other named insured under this policy being insured as a natural person (as distinct from an incorporated body or entity).

We will pay up to a maximum of $2,500 for the entire duration of this insurance contract where the policy runs continuously for 5 years.

This limit shall be increased to $5,000 provided this policy continues to be in force after the first consecutive five years subject to there being no such payments being made under this policy at any time earlier.

All such payments shall be made to the deceased's nominated beneficiary.

Should you have more than one House Policy with us, then only one pay-out of $2,500 or $5,000 as may be applicable, will be made.

Cover under this extension shall immediately cease to be in effect after the full benefits have been paid out.

For a claim to be made we will require the following documents;

- Death certificate stating the cause of death and a coroner's report if one has been issued
- Proof of the insured person's age if the date of birth is not given on the death certificate (an original birth certificate, passport or drivers licence)
- Proof of name change if the name on the death certificate differs from the name on the above documentation
- Proof of identity of the nominated beneficiary if applicable

Death Benefit
We will compensate for any death occurring within the insured premises limited to death directly arising from a payable loss to the property insured under this policy.

The maximum amount we will pay under this extension during the cover period is $10,000, after which cover will immediately cease to be in effect.

If there is only one death arising from one event, then the total sum of $10,000 will be paid out, after which cover will immediately cease to be in effect.

If there is more than one death, then the total sum of $10,000 will be divided equally for each death, after which cover will immediately cease to be in effect.

Cover under this extension shall immediately cease to be in effect after any pay-out of the sum of $10,000.

Any amounts payable shall be paid directly to the deceased's next of kin.

For a claim to be made we will require the following documents:

- Death certificate stating the cause of death and a coroner's report if one has been issued
- Proof of the insured person's age if the date of birth is not given on the death certificate (an original birth certificate, passport or drivers licence)
- Proof of name change if the name on the death certificate differs from the name on the above documentation
- A grant of administration – probate or letters of administration if the claim is being made by the estate
- Proof of identity of the nominated beneficiary if applicable.

Natural Disaster Resilience Cover
We will pay $1,000 for any one policy period purely as a form of assistance in the event you are affected by Cyclone or Earthquake subject to following thresholds being met.

a) Cyclone – category three or more and provided your home is within 25km of the centre of the cyclone at any point of the cyclones path
b) Earthquake – measuring five or more on the Richter Scale and provided your home is within 15 km of the epicentre.

No Excess shall apply to this Special Benefit.

Free Contents Cover
This Policy extends to cover you for your Household Contents up to an Annual Limit of $10,000 subject to the Perils, terms, conditions and exclusions of this policy.

If you have a separate insurance policy for your household contents and you experience a total loss, you'll receive an additional $10,000 from this policy on top of your other insurance payout. However, if it's only a partial loss, you can only claim from your other insurance policy.

The basis of settlement is on an indemnity basis meaning that we will pay you the value at the time of the loss subject to the limit as stated above.

Jewelry is excluded from this cover.

The Average Clause shall not apply to this Special Benefit, meaning that no under-insurance shall apply.

No Excess shall apply to this Special Benefit.

YOUR OPTIONAL SPECIAL BENEFITS
Loss of Rent
If the Insured Property is occupied by a tenant when damaged by an insured peril and the damage makes the property unfit to live in, this Policy will cover the resulting loss of rent. The most that we will pay for loss of rent is a sum equal to the rent that would have been received during reinstatement of the property following the damage; but not more than the lesser of 12 months' rent or 15% of the Sum Insured by this Policy.

The Policy will also cover chattels that have been rented out with the property. $5,000 is the most that we will pay for chattels that would otherwise be excluded from cover.

Cyclone
Subject to the special conditions and exclusions below, this Policy extends to cover loss or damage caused by or arising from windstorm, hurricane or cyclone.

Special Conditions Relating to Cyclone

This extension of cover only applies to property that has:

- a current and Valid Engineers Cyclone Certificate provided by a recognised engineer from the Insurance Association of Fiji's approved panel of engineers;
- been constructed in compliance with the law. For the purpose of this clause, 'the law' means any regulation or code imposed by statute or by-law governing the construction of buildings;
- cyclone shutters to protect all fixed glass on the ground and first floor levels of any building on the Insured Property. The shutters must comply with standards laid by the Fiji Institute of Engineers. The shutters are to be put up immediately after an official cyclone warning and are to remain in place until the official cyclone warning is over.

Special Exclusions Relating to Cyclone

This extension cover does not cover:

- damage by water to the interior of any building unless the water has entered the building through an opening made by the storm in its roof or any wall;
- damage caused by flood;
- damage to any fixture or fitting external to a

building. This includes but is not limited to any solar heating equipment, water tank, gate, fence, awning, blind, sign, power or aerial mast, decorative masi, or thatching;

- damage to any property that was damaged by storm before inception of this insurance, and which has not been repaired;
- damage happening within seven days after we have agreed to grant cover under this extension;
- damage happening through wind driven rain;
- damage to or caused by shingles of roofing tiles unless such shingles or roofing tiles have been certified by a recognised engineer from Insurance Association of Fiji's approved panel of engineers.

This extension of cover does not override these Policy exclusions:

- Action of the Sea
- Landslide
- Subsidence and Erosion.

Limited Cyclone Cover

A. Damage, destruction, or loss to the Roof of your house will be covered, if and only if:
   - The winds causing damage, destruction or loss have been officially declared to be a cyclone by the relevant authorities legally authorised to declare cyclones in Fiji; and
   - Your house, including the Roof, has been previously certified by:
     (i) an engineer recognised by the Insurance Association of Fiji, as being able to withstand wind speeds of at least 66m/s
     or;
     (ii) the relevant local authority as being completed and compliant with the building codes and standards applicable to the building industry and the requirements of any legislation, regulations, orders, or by-laws, and
   - We are satisfied, at our sole discretion, with the information provided to Us, the current state of your house and Roof, and the provision of this Limited Cyclone Cover Extension as a result.

B. Notwithstanding any other provision to the contrary:
   - This Limited Cyclone Cover Extension:
     - does not cover nor include any damage, destruction, or loss:

     (i) to any part of your house other than the Roof (as that term has been defined below), including, but not limited to, any building structure, walls, windows, floors, house contents, etc.;

     (ii) resulting from any water, or wind driven rain damage, or seepage unless the water or wind driven rain or seepage causing the damage entered through an opening to the Roof structure made by the cyclone;

     (iii) to, or caused by, any attachments to the Roof including, but not limited to, masts, aerials, solar panels, water systems, tanks, downpipes, guttering, etc.;

     (iv) due to, or arising out of, wear and tear or a lack of proper maintenance of the Roof in its entirety;

     (v) to all or any part of a roof structure that has shingles or any type of roofing tiles;

     (vi) caused directly or indirectly by the sea, erosion, subsidence, landslide, tidal wave, high water, and/or flood; and/or

     (vii) to the Roof where the house is under construction or renovation, and

   - Is limited to only ten percent (10%) of the Total Declared Sum Insured Value of your house. Provided that, our total liability under this Limited Cyclone Cover Extension policy shall not, under any circumstance, exceed Thirty Thousand Dollars ($30,000), or be less than One Thousand Dollars ($1,000), and

We shall not be liable under this Limited Cyclone Cover Extension policy for any damage, destruction, or loss occurring before the expiration of seven days after four o'clock in the afternoon on the day of acceptance by Us of this Limited Cyclone Cover Extension policy, as evidenced by the issue of a cover note, certificate or policy.

C. For the purpose of this Limited Cyclone Cover Extension Policy, **"Roof"** shall mean *the cladding on the outside of the structure forming the upper covering of Your house, the function of which is to keep the dwelling protected from the elements and habitable, and all the components that have a function to play in the structural support of that cladding. For the avoidance of doubt,*

- *this shall not include any guttering, downpipes, and eaves, or any wall or beam element that in turn supports the Roof structure,*
- *but shall include any ceiling attached to or suspended from, the Roof structure*

Temporary Accommodation

If damage by an insured peril makes the house on the Insured Property unfit to live in, this Policy extends to cover the cost of temporary accommodation for you and for those residing with you, but not for tenants. If you also have this cover under our Home Contents insurance policy, you can claim under either policy, but not both. The most that we will pay for this cost is $10,000 any one event. This is in addition to the sum insured by this policy.

EXCLUSIONS

We will not pay for any loss, damage, benefit, legal liability, compensation, or any other loss, costs, fees, charges or expenses of whatsoever kind, arising directly or indirectly from or in any way connected with the following:

Wilful & Malicious Damage

We will not cover any loss or damage arising from any wilful or malicious act by the policyholder, a member of the family or by a person lawfully residing at or temporarily staying in their home.

Action of the Sea

This Policy excludes loss or damage caused by or arising from any action of the sea other than tidal wave or tsunami.

Flood

This Policy excludes loss or damage caused by flooding resulting from any cause which includes that which results from blocked drains or water outlets.

Acts of Occupants and Visitors

This Policy excludes loss or damage caused deliberately:

- by any occupant of the Insured Property; or
- by any lawful visitor to the Insured Property.

Bacterial or Fungal Action

This Policy excludes damage caused by bacterial or fungal action such as mildew or rot.

Breakdown

This Policy excludes breakdown damage to any mechanical, electrical or electronic machine or device. This exclusion does not apply to consequent damage, such as damage by fire following breakdown.

Business or Trade

This Policy excludes loss or damage caused by or arising from use of the Insured Property for any business or trade. This exclusion does not apply to the business of renting the premises to tenants.

Consequential Loss

This Policy excludes consequential economic loss, such as loss of use.

Contamination

This Policy excludes damage caused by contamination. This exclusion does not apply where the contamination results from an accidental event such as fire.

Defects

This Policy excludes loss or damage caused by or arising from any defective workmanship, materials or design of the Insured Property.

Depreciation and Deterioration

This Policy excludes wear and tear, gradual deterioration and corrosion.

Landslip, Subsidence and Erosion

This Policy excludes loss or damage caused by or arising from any landslip, soil erosion or subsidence.

Nuclear Risks

This Policy excludes loss or damage caused by or arising from nuclear weapons material or from ionising radiation or contamination by radioactivity from:

- any nuclear fuel; or
- any nuclear waste from the combustion of nuclear fuel.

For the purpose of this exclusion, combustion includes any self-sustaining process of nuclear fission.

Order of Government Authority

This Policy excludes loss of property by:

- confiscation;
- acquisition;
- forfeiture;

by order of any government authority. However, this will not apply where the order is given to prevent loss or damage by any other peril that would fall within the scope of this Policy.

Repairs and Alterations
This Policy excludes loss or damage caused by or arising from the repair or structural alteration of the Insured Property.

Settlement, Shrinkage, Expansion
This Policy excludes the normal settlement, shrinkage or expansion of any building or structure.

Storm
This Policy excludes loss or damage caused by or arising from windstorm, hurricane or cyclone unless you have selected this Optional Special Benefit and paid the required additional premium.

Unoccupied Property
This Policy excludes loss of or damage happening to the Insured Property while it is unoccupied and has been so for more than 30 consecutive days. This exclusion will not apply if we have agreed in writing to cover the Insured Property even though it may be unoccupied for more than 30 consecutive days.

Vermin
This Policy excludes damage caused directly by vermin. This exclusion does not apply to consequent damage through an insured peril, such as damage by fire following action by vermin.

War and Other Hostilities
This Policy excludes loss or damage directly or indirectly caused by or happening through:

- war, invasion, hostilities or other warlike operations whether war has been declared or not;
- civil war, mutiny, civil commotion, popular rising, rebellion, revolution, or insurrection;
- terrorism, sabotage, subversion, military or usurped power.

CONDITIONS

Alteration of Risk
You must notify us of any material change that could affect this insurance. This must be done in writing as soon as possible after you become aware of it. A change is deemed material if it would influence a prudent insurer in fixing the premium for this insurance. If the change increases the risk insured against, we may charge reasonable extra premium for it. This will be computed pro rata for the unexpired portion of the Period of Insurance. You will not be prejudiced by delay in notifying us of a change if this has been through oversight, but any such oversight must be corrected as soon as you become aware of it.

Average Clause
If the Sum Insured is less than 90% of the value of the Insured Property at inception of this insurance, we will only pay a proportion of each loss. The proportion that we will pay will be computed as follows:

> The Deductible will be taken off the amount of loss. The result will be multiplied by the Sum Insured and then divided by 90% of the actual value of the property at inception.

This clause will not apply to any loss that does not exceed 5% of the Sum Insured.

Cancellation
By You

If you are the first named Insured, you may cancel this Policy at any time by giving us written notice. If you do that, we will return 85% of the unused premium to you. This will be computed pro rata from the time of cancellation.

By Us

We may cancel this Policy at any time by giving written notice to the first named Insured. The notice will be delivered by either normal mail, registered mail. The cancellation will take effect at 4 p.m. on the 30th day after the notice has been mailed. We will then return the unused premium to you. This will be computed pro rata from the time of cancellation.

Claims
(a) You must give us written notice of any event that may give rise to a claim on this Policy. This must include all relevant information and be given to us as soon as practicable.

(b) You must notify the police if the loss has resulted from malicious damage, theft or other criminal act.

(c) You must not, without our approval, have any repairs commenced on the Insured Property except as may be needed to prevent further loss or damage.

(d) You must promptly take all reasonable steps to minimise the loss arising out of the event and to avoid further loss. This must be done at your own expense over and above the $2,000 already covered under this policy.

(e) If the event includes loss, damage or injury to any third party:
- you must not, make any admission, offer, promise or payment to that party without our consent;
- you must immediately give us any legal document served on you;
- we may, at our expense, take over and conduct, in your name, the defence of any claim made against you and may investigate, negotiate and settle any such claim as we deem expedient. You must cooperate with us in doing these things.

(f) You must provide us with any proof, information and assistance that we may reasonably require in connection with your claim.

Deductible
Our liability under this Policy is limited to loss in excess of the Deductible shown in the Schedule. For the purpose of this clause:

- 'loss' means all loss arising out of any one event; and
- a series of events during any 72-hour period is deemed one 'event'.

If the same event causes loss that is covered by this and any other policy that we have issued to you, only the highest applicable deductible will apply to the combined loss.

Floor Coverings
To avoid doubt, we will not pay for the replacement of any floor covering that is not in the room or rooms where damage insured against has occurred.

Fraud
If you or anyone acting on your behalf:

- makes any claim that is in any respect fraudulent; or
- makes any false declaration in support of any claim; or
- makes any false declaration in contracting your policy; or
- uses any other fraudulent means or devices to obtain benefit under this Policy;

all benefit in respect of that claim will be forfeited. For the purpose of this condition, each of you (if more than one) will be treated as having been issued with a separate policy.

Other Insurance
If you have a claim on this Policy, you must tell us of any other insurance that you have on the same loss. We will only be liable for our rateable proportion for any payable loss.

Other Interested Parties
If any other party has an interest in the Insured Property, and if that interest is noted on the Schedule, then, any payment for total loss of the Insured Property will be made to that party. That party's receipt will discharge us from any further liability for the same claim. This clause will not apply if you have chosen a Reinstatement basis of settlement, in which case the proceeds of your claim must be used to pay the cost of reinstatement.

Reinstatement of Sum Insured
If you have a claim for loss of or damage to the Insured Property, the Sum Insured reduced by the loss will be reinstated to its original amount at no additional charge. However, this does not apply where the loss has resulted from windstorm, hurricane or cyclone.

Salvage
Where a claim is payable for lost or damaged property, we may enter the Insured Property and may deal with any salvage as we think fit. However, you are not entitled to abandon any property to us.

Subrogation
Where we have a right of subrogation against a third party for recovery of a loss; you must permit, do and concur in doing all things that we may reasonably require in enforcing that right. This will be at our expense. It must be done even if the claim is not yet settled.

Jurisdiction
The laws of Fiji apply to this policy. The Fiji Courts have exclusive jurisdiction in relation to legal proceedings pertaining to any issue arising out of this policy.

Any judgement for costs or damages awarded by any Court outside Fiji or any judgement or order obtained in Fiji for the enforcement of a judgement obtained outside Fiji are not covered.

Currency and Taxes
All sums insured and policy limits are expressed in Fijian currency and include Value Added Tax (VAT) and all other taxes. All claims will be paid in Fijian currency and is inclusive of Value Added Tax and all other taxes that may apply from time to time.