



**TimberSecure**  
TERMITE INSURANCE

## Product Disclosure Statement & Financial Services Guide

## Information about the Insurer and the Insurance Agent

Pacific International Insurance Limited  
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We are an APRA authorised insurer and We may sell insurance products in all States and Territories in the Commonwealth of Australia. Our insurance policies are subject to the Insurance Contracts Act 1984 (the "Act") and the laws and regulations of Australia.

We are a member of the Insurance Council of New Zealand, the New Zealand Insurance Law Association Inc and the Pest Management Association of New Zealand.

### Australia Agent:

Rapid Solutions  
Locked Bag 3  
Cardiff NSW 2285 AUSTRALIA  
Phone: 1300 309 169  
Fax: 02 4954 3660  
Email: [support@rapidsolutions.com.au](mailto:support@rapidsolutions.com.au)

Rapid Solutions Pty Ltd, Locked Bag 3, CARDIFF NSW 2285 Australia

Rapid Solutions holds an Australian Financial Services Licence No 232422 issued by ASIC under the Corporations Act 2001 (Cth) and is authorised to deal in or to provide financial product advice for general insurance products. Rapid Solutions acts as underwriting agent for Pacific International Insurance Limited in issuing the TimberSecure Policy. Rapid Solutions does not act on your behalf.

Both Pacific International Insurance Limited and Rapid Solutions are privately owned with common majority shareholders. Rapid Solutions is paid a fixed commission of 32% of the premium.

# key information

## Why is this an important document?

This Product Disclosure Statement (PDS) & Financial Services Guide (FSG) is a crucial legal document containing key information about the TimberSecure Policy should you decide to purchase this product from us. It is important for you to read and carefully consider the PDS/FSG before deciding to purchase this product. Once you have purchased the product your policy is the PDS/FSG together with the Policy Certificate identifying the information personal to you.

The information in this PDS/FSG is current at 29 November 2012.

## Cooling Off period

Once this insurance policy begins you have 21 days to consider the information in the PDS/FSG. If you decide this policy is not in fact for you, you may cancel the policy and receive a refund of the premium paid minus any non-refundable government charges, and a \$30 administration fee. See section 22 of the Policy Conditions.

## Who is this product for?

This product is specially designed for owners of residential properties protected by an authorised termite management system to safeguard them against the cost of repairing or replacing timber damaged by termites after the termite management system has been installed and for the life of the policy.

The insurance does not cover property such as home contents.

## Who provides this product?

TimberSecure is provided by Pacific International Insurance Ltd ("Pacific") exclusively through its Australian insurance agent Rapid Solutions Pty Ltd ("Rapid Solutions"). Rapid Solutions will only answer questions about what is and is not covered by the TimberSecure Policy, issue the policy (including collecting premiums), and administer the claims process. Rapid Solutions will not advise you whether this is the right policy for you.

More information about Pacific International Insurance Ltd and Rapid Solutions, see Information About the Insurer and the Insurance Agent at the end of this document

## What you must tell us before the policy begins

Before You enter into this policy of insurance, You are required under the Insurance Contracts Act 1984 to disclose to us every matter that You know, or could reasonably be expected to know, that is relevant to the insurer's decision whether to accept the risk of insurance and if so, on what terms.

However, Your duty does not require disclosure of any matter:

- that diminishes the risk;
- that is of common knowledge;
- that the insurer knows or in the ordinary course of its business, ought to know; or
- as to which compliance with Your duty of disclosure is waived by the insurer.

As we rely on the information you provide, if it is not accurate, we can reduce or deny any claims you make or cancel your policy which is something we never want to do therefore please see sections 6, 7, 8, and 9 of the Policy Conditions for specific information you must disclose to us.

## More than one policyholder

If more than one person owns the building protected by an authorised termite management system, then all of the owners should be named on this policy. Each person is a joint policyholder and we will treat a statement, act, omission, claim or request to cancel your policy within the cooling off period made by one policyholder as if it came from all those named as insured on the Policy Certificate.

## Important definitions

Some words within the Policy Conditions have limited or specialist meanings. Most of these words are listed in section 28 of the Policy Conditions.

# overview of cover

This section provides a summary of what is covered by this Policy.

## Timber damaged by a new termite infestation

After the policy begins if termites from a new infestation are found inside the protected building, we will cover the cost of repairing or replacing timber damaged by those termites.

We will not cover the cost of repairing or replacing timber damaged by termites that existed before the policy begins, or caused by an infestation present at the time the policy begins.

More details see sections 1 and 4 of the Policy Conditions.

## Investigating the extent of termite damage

In some cases we may need to determine the extent of damage before appropriate tradesmen can be instructed to complete necessary works.

More details see section 1 of the Policy Conditions.

## Alternative accommodation during repairs

In some situations you may need to move into alternative accommodation during repairs.

More details see section 1 of the Policy Conditions.

# summary of important claims information

This is a summary only of important information to be aware of when making a claim.

More information see sections 14 and 15 of the Policy Conditions.

## Making a claim

Once termites are discovered inside the protected building it is important for the termites to be treated by an accredited technician in order to minimise the extent of timber damage.

It is important to contact us as soon as possible after you discover termites inside the protected building.

## Assessing the loss

A builder will need to provide a quotation to repair or replace timber damaged by the new termite infestation. Generally, we will instruct the builder and therefore you should talk to us before spending any money investigating the extent of termite damaged timbers.

## Excess

There is no excess payable.

## Settling claims

Depending on these circumstances, we will decide to instruct tradesmen or pay you what it would cost to repair or replace the termite damaged timber.

## What happens if the repairs are more than \$100,000?

You are responsible for any repairs above \$100,000. We will discuss with you how to proceed in the unlikely event that it occurs.

# information about costs

## Insurance premium

This is the amount you pay for the insurance policy and includes stamp duty, GST, and, any government charges.

## Fees on cancellation

If you decide to cancel your policy during the cooling off period, we will refund the premium paid minus a \$30 administration fee and any non-refundable government charges.

# you should contact us

- when you find termites inside the protected building;
- when you sell the property within the policy period;
- when you intend to make any changes to the building that may affect the termite management system.

# policy conditions

By issuing to You a Policy Certificate in exchange for You paying to Us the Policy Fee, You and We agree to the following provisions:

## What Is Covered

1. Under the Policy We cover the cost of:
  - (a) repairing or replacing Damaged Timber within the Building that has been damaged by Subterranean Termites during the Policy Period;
  - (b) a suitable tradesmen to investigate the scope and extent of repair or replacement work for Damaged Timber, to a limit of \$5,000.00; and
  - (c) alternative accommodation for You for the duration of works to repair or replace Damaged Timber, to a limit of \$5,000.00.
2. Our aggregate liability under clause 1 is limited to \$100,000.00 for all Claims in respect of the Policy Period.
3. You must obtain Our prior written authority before incurring any of the costs described in clause 1.

## What Is Not Covered

4. Under the Policy We do not cover:
- (a) The cost of repair or replacement of Damaged Timber above \$100,000.00;
  - (b) Damaged Timber where the manufacturer of the Authorised TMS has issued a warranty or Policy applying to the Damaged Timber to repair or replace termite damaged timbers;
  - (c) The cost of any measures necessary to kill live Subterranean Termites;
  - (d) Reinstatement, replacement or rectification of any Termite Management System;
  - (e) Repair or replacement of fixtures and fittings;
  - (f) Property damage, except damage caused to Damaged Timber by Subterranean Termites under clause 1 above;
  - (g) Repair or replacement of Damaged Timber where there are no live Subterranean Termites inside the Building at the time of inspection by an Accredited Technician in accordance with clause 14.a;
  - (h) Repair or replacement of Damaged Timber if:
    - (i) The Termite Management System was not at the Installation Date an Authorised TMS or was not installed by an Accredited Technician;
    - (ii) the Authorised TMS is incomplete or partial;
    - (iii) entry to the Building by the Subterranean Termites has occurred:
      - (A) because no Authorised TMS has been installed along the cold joint of a concrete slab; or
      - (B) at service entry points to the Building through concrete slabs where no effective termite protection system has been installed;
  - (i) Repair or replacement of Damaged Timber that has been damaged before or after the Policy Period;
  - (j) Damage caused by any termite activity present inside the Building before or at the time of the Installation Date;
  - (k) Repair or replacement of Damaged Timber where the Authorised TMS has been tampered with after the Installation Date or if any other event or act occurs after that date that adversely impacts on or compromises the effectiveness of the Authorised TMS. Examples of such tampering, events or acts includes:
    - (i) in relation to termite monitoring and baiting systems, removing stations when installing pathways, or spraying termites discovered in the monitoring stations with insecticide; and
    - (ii) in relation to chemical systems, digging around the perimeter of the building or permitting opportunity for pets to do so;
  - (l) Damage to timber and timber structures not protected by the Authorised TMS, even if such timber structures are attached to the Building that is protected by the Authorised TMS;
  - (m) Timber damaged by borers, fungal decay, dry wood termites, damp wood termites or other timber destroying insects, whether or not Subterranean Termites are also found to have been active on or in such timber;
  - (n) Repair or replacement of Damaged Timber to any part of the Building that does not comply with all the requirements of or does not have all required approvals from all Authorities;
  - (o) Repair or replacement of Damaged Timber to any part of the Building that does not comply with the Australian National Construction Code Series;
  - (p) Damage to timber and timber structures if the Land where the Authorised TMS is located is affected by flooding during the Policy Period;

- (q) Loss or damage due to personal injury, illness, death, distress, inconvenience, physical injury, psychological injury or anxiety;
- (r) If the Building is leased by You to another party, loss of rent or other income, whether or not that loss is due to that other party vacating the Building due to Damaged Timber or its repair or replacement or otherwise;
- (s) Devaluation of the Building or the Land;
- (t) Loss of or damage to possessions or property other than Damaged Timber; or
- (u) If the Authorised TMS is a monitoring system only as listed in Table One at clause 29 below, repair or replacement of Damaged Timber in the event live termites are discovered during the Policy Period but only after the contract of service for the monitoring system has ended for any reason.

## Your Obligations

5. You agree that you will:
- (a) where any termite or timber pest inspection report for the Building recommends that an Inspection of the Building be completed according to a particular frequency (for example every 6 months), have each Inspection completed within 14 days of the expiry of the relevant recommended period for Inspection. For example if the recommended frequency is every 6 months, each Inspection must occur within 6 months and 14 days of the previous Inspection of the Building;
  - (b) Report to Us termite activity within the Building as soon as you become aware of or suspect such activity;
  - (c) Pay when due all costs and expenses in connection with Damaged Timber or the Building that are not covered by the Policy;
  - (d) At Your own expense arrange Inspections of the Building by an Accredited Technician as recommended in the previous termite or timber pest report for the Building and compliant with Australian Standard 3660.2-2000 or Australian Standard 4349.3-2010;
  - (e) At your own expense follow all recommendations relating to termite management and/or risk within any termite or timber pest reports for the Building, compliant with Australian Standard 3660.2-2000 or Australian Standard 4349.3-2010 or any similar advice given immediately before the Installation Date;
  - (f) Not alter, renovate or make any additions to the Building without following advice from an Accredited Technician; and
  - (g) Not disturb, or attempt to treat Yourself, live Subterranean Termites.

## Duty of disclosure - What are you required to tell Us?

6. Before you enter into this Agreement, you must inform Us of every matter that you know (or could reasonably be expected to know) is relevant to Our decision regarding risk assessment. This includes Our decision of whether or not to accept the risk and, if so, on what terms. Examples of matters that are relevant to Our risk assessment include:
- (a) Knowledge of existing termite damage;
  - (b) Plans to install insulation in the roof void, thereby limiting future visual inspections; or
  - (c) Planned renovations or additions that could affect the Authorised TMS.
7. You are required to answer Our questions honestly, including but not limited to questions in the Policy Application Form.
8. These answers and any additional information that You are required to disclose must include the information as it pertains to any other person to be covered by this policy.



9. However, you do not need to inform Us of matters that:
- (a) reduce Our risk;
  - (b) are common knowledge; or
  - (c) of which we should be aware in the ordinary course of Our business as an insurer.

## What are the consequences if you do not comply with this duty of disclosure?

10. If You fail to comply with the requirements of clauses 6, 7 or 8 and such failure was fraudulent or any misrepresentation by You was made fraudulently, We may avoid the Policy.
11. If You fail to comply with the requirements of clauses 6, 7 or 8 and if We are not entitled to avoid the Policy or, being entitled to avoid the Policy (whether under clause 10 or otherwise) We have not done so, Our liability in respect of a Claim is reduced to the amount that would place Us in a position in which We would have been if the failure had not occurred or the misrepresentation had not been made.

## Acts by you or others after the Installation Date

12. If after the Installation Date:
- (a) You fail to comply with any of Your obligations under clauses 5, 14 or 15;
  - (b) Any Claim by You is fraudulent; or
  - (c) You or any other person have provided Us with misleading or deceptive information in respect of a Claim,
- subject to sections 54 and 56 of the Act We may in our discretion either refuse to pay any relevant Claim or Our liability in respect of the Claim may be reduced by the amount that fairly represents the extent to which Our interests were prejudiced as a result of the act.

## Our Obligations

13. We agree that We will:
- (a) Issue to You the Policy Certificate in a timely manner following payment of the Policy Fee and provided We receive all of the following within 28 days of the installation of the Authorised TMS:
    - (i) The Policy Application Form;
    - (ii) A legible copy of the visual termite report compliant with either Australian Standard 3660.2-2000 or Australian Standard 4349.3-2010 and which is no more than 28 days old when received by Us; and
    - (iii) A legible copy of the Certificate of Treatment pertaining to the installation of the Authorised TMS;
  - (b) If there is Damaged Timber caused to the Building by Subterranean Termites during the Policy Period which We are required to repair or replace under the Policy, subject to Our investigation of the Claim and confirmation that You have complied with Your obligations under this Agreement, arrange repair or replacement of the Damaged Timber by appropriate trades or, at Our absolute discretion, pay to You a monetary settlement of equal value, subject to the Policy Limit;
  - (c) Advise you in writing within 14 days of any decision to refuse any Claim by You under the Policy; and
  - (d) Pay to You a partial refund of the Policy Fee to the amount of \$150.00 if the Land where the Authorised TMS is located is affected by flooding within 6 months of the Installation Date.

## Making a Claim

14. If You discover live termites inside the Building you must at the earliest possible opportunity:
- (a) Contact an Accredited Technician to arrange for the infestation to be treated at Your expense; and
  - (b) If there is Damaged Timber, request a Claim Form from Us by telephoning 1300 309 169 or e-mailing [claims@rapidsolutions.com.au](mailto:claims@rapidsolutions.com.au).
15. Once You have received a Claim Form it must be completed and forwarded without delay to Rapid Solutions, Locked Bag 3, Cardiff, NSW 2285. If You have not heard back from Us within 10 business days of forwarding the Claim Form to Us, Please phone us on 1300 309 169 or email [claims@rapidsolutions.com.au](mailto:claims@rapidsolutions.com.au). You must re-submit the Claim Form to Us.

## Refunds of Policy Fee

16. Except as provided under the Australian Consumer Law and the Act, the only time that the Policy Fee is refundable to You in whole or in part is in the circumstances described in either of clause 13.d or clause 22.

## Severability

17. If a clause of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:
- (a) the validity or enforceability in that jurisdiction of any other provision of this Agreement; or
  - (b) the validity or enforceability in other jurisdictions of that or any other provision of this Agreement.

## Assignment

18. If title to the Land is transferred to another person, the Policy may be assigned to that other person, up to the end of the Policy Period, if You provide to Us written notice of the transfer within 28 days of the date of the transfer and you pay to Us an administration fee of \$150.00 (inclusive of GST), subject to the other provisions of this Agreement.

## Privacy Statement

19. At all times We will maintain Your personal information in accordance with Our current Privacy Policy which is accessible at [www.rapidsolutions.com.au](http://www.rapidsolutions.com.au).

## Subrogation

20. We may pursue, litigate and/or settle in Your name any rights or claims You may have against any other person (including without limiting the generality of the foregoing under any other warranty, Policy or insurance) for loss or damage arising out of Damaged Timber or in respect of any Claim and We will have sole and complete discretion in doing so. You must execute and deliver all instruments and papers and do everything necessary to secure and preserve such rights or claims and to assist Us to pursue, litigate and/or settle those rights or claims in Your name.

## Force Majeure

21. Either Party shall be excused from any failure to perform or delay in performing any obligation under this Agreement to the extent such failure or delay is caused by any event beyond the reasonable control of that Party or its subcontractors or suppliers, except for any obligation to pay any amount hereunder. These events include, but are not limited to, war, sabotage, insurrection, riot or other act of civil disobedience, labour disturbance or shortage, failure or delay in transportation, act of any Government affecting the provisions of this Agreement, accident, fire, explosion, flood, severe weather or other act of God.

## Cooling Off Period

22. You may cancel the Policy in writing to Us within 21 days of the date of issue of the Policy, in which event we will refund the amount of the premium paid minus any non-refundable government charges, and a \$30 administration fee, provided that at the time of cancellation there has not been a Claim.

## Dispute Resolution

23. Please contact Us if You have any complaints or queries about this Agreement, including the Policy. We are committed to the fair, transparent and timely resolution of any dispute that may arise.
24. In the unlikely event that You have a complaint or dispute about any matter involving this Agreement (including the Policy), We have an internal complaints handling procedure. In the first instance, You should address Your concern to Your Rapid Solutions Policy Officer. In the event the Policy Officer cannot resolve your concern, You can refer it to the Rapid Solutions Complaints Officer, who will make every effort to try and resolve the matter.
25. However if the Complaints Officer is unable to resolve the dispute to Your satisfaction, then the matter will be referred to an internal disputes committee which will conduct its investigations and try to resolve the matter.
26. If Your complaint still remains unresolved to Your satisfaction by Us within 45 days, You have the right to refer the matter to the free consumer service offered by the Financial Ombudsman Service ("FOS"). The Financial Ombudsman Service is an external dispute resolution provider that aims to obtain a fair outcome for both parties and will act independently in trying to resolve the dispute.

## Jurisdiction

27. The construction, interpretation and meaning of the provisions of this Agreement shall be determined in accordance with the laws of the State of New South Wales, Australia and in any disputes or proceedings arising out of or under this Agreement the Parties submit to the non-exclusive jurisdiction of any courts of competent jurisdiction within that State.

## Entire Agreement

28. This Agreement constitutes the entire agreement between the Parties concerning the subject matter hereof. All prior agreements, discussions, representations, warranties and covenants are merged herein. There are no warranties, representations, covenants or agreements, expressed or implied, between the Parties except those expressly set forth in this Agreement. Any amendments or modifications of this Agreement must be in writing and executed by the Parties.

## Definitions

29. In this Agreement the following terms have the following respective meanings:

<b>Accredited Technician</b>	A pest control technician who has an accreditation number issued by Us. If a technician does not have an existing number, he/she may apply to us for one. We may issue a number if the technician is licensed within the relevant State as a pest control technician or if he/she has sufficient qualifications, experience and standing.
<b>Act</b>	Insurance Contracts Act 1984
<b>Agreement</b>	The agreement between You and Us in respect of the Policy comprising of the provisions of this document (including any attachments to this document), the Policy Application Form, any documents provided by You in support of Your application for the Policy, the Policy Certificate and any terms or conditions that both Parties agree in writing are to form part of this Agreement.
<b>Australian Consumer Law</b>	The consumer law as provided in the Competition and Consumer Act 2010.
<b>Authorised TMS</b>	A Termite Management Systems that is installed by an Accredited Technician and that complies in all respects with Table One below (so far as each item in Table One is relevant to the system).

**TABLE ONE**

<b>Pre-Construction</b>	<b>Post-Construction</b>
All pre-construction systems need to comply with AS 3660.1-2000	All post-construction systems need to comply with AS 3660.2-2000
Chemical System – any system using a chemical registered as a termiticide by the Australian Pesticides & Veterinary Medicines Authority and used and installed in compliance with the manufacturer’s label directions current at the date of installation.	Chemical – any system using a chemical registered as a termiticide by the Australian Pesticides & Veterinary Medicines Authority and used and installed in compliance with the manufacturer’s label directions current at the date of installation and the Manufacturers Installation Manual of any delivery system installed and approved for the Chemical used.
<p>Physical - the following systems provided they are installed in compliance with the manufacturers label directions and the Manufacturers Installation Manual current at the date of installation:</p> <p>(For clarity chemically impregnated Australian Pesticides &amp; Veterinary Medicines Authority registered sheet and collar products are deemed physical systems)</p> <ol style="list-style-type: none"> <li>1. Armour-Thor (previously Alterm)</li> <li>2. Granitgard</li> <li>3. HomeGuard</li> <li>4. Kordon</li> <li>5. Novithor</li> <li>6. TERM-seal</li> <li>7. Trithor</li> </ol>	<p>Monitoring – the following systems provided they are installed in compliance with the manufacturers label directions current at the date of installation and the monitoring is completed by the pest control business:</p> <ol style="list-style-type: none"> <li>1. Exterra</li> <li>2. Nemesis</li> <li>3. Sentricon</li> </ol>

<b>Authorities</b>	Includes <ul style="list-style-type: none"> <li>(a) all governments in any jurisdiction, whether federal, state, territorial or local;</li> <li>(b) all providers of public utility services, whether statutory or not; and</li> <li>(c) all other persons, authorities, instrumentalities or bodies having jurisdiction, rights, powers, duties or responsibilities over the Building or any part of it or anything in relation to it.</li> </ul>
<b>Building</b>	The main structure protected by the Termite Management System and identified in the Policy Certificate.
<b>Certificate of Treatment</b>	A certificate or other such document provided in compliance with Australian Standards AS 3660.1 (Termite Management – Part 1 – New Building Work – AppendixA2) and AS3660.2 (Termite Management - In & around existing buildings & structures – Appendix D) which record the specified termite treatment carried out, including any limitations encountered and further recommendations made.
<b>Claim</b>	A claim by You under the Policy.
<b>Claim Form</b>	A form issued by Us and completed by You in respect of a Claim.
<b>Contract End Date</b>	The last day of the Policy shown on the Policy Certificate.
<b>Damaged Timber</b>	Structural or decorative timber within the Building damaged by Subterranean Termites.
<b>GST</b>	Goods and services tax imposed by A New Tax System (Goods and Services Tax) Act 1999 (Cth) or any Act repealing or replacing that Act.
<b>Policy</b>	The timber replacement Policy issued by Us under which We Policy to repair or replace Damaged Timber within the Building that has been damaged by Subterranean Termites during the Policy Period, subject to and in accordance with the provisions of this Agreement.
<b>Policy Application Form</b>	The application form for the Policy issued by Us and completed and signed by You.
<b>Policy Certificate</b>	The Policy certificate signed by Our authorised representative in respect of the Policy.
<b>Policy Fee</b>	A once-only fee for the Policy Period of \$360.00 (AUD) (inclusive of GST and Government charges).
<b>Policy Limit</b>	\$100,000.00 (AUD) (inclusive of GST).
<b>Policy Period</b>	The period commencing on the Installation Date and expiring on the Contract End Date, but not longer than 5 years.
<b>Inspection</b>	An inspection of the Building for Subterranean Termites compliant with Australian Standard 3660.2-2000, Australian Standard 4349.3-2010, or A Code of Practice For Prior to Purchase Timber Pest Inspections.
<b>Installation Date</b>	The date shown on the Policy Certificate for the installation of the Authorised TMS.
<b>Land</b>	The land upon which the Building is located.
<b>Our/Us/We</b>	Pacific International Insurance Ltd or its agent Rapid Solutions Pty Ltd (ACN 055 149 203).
<b>Party</b>	You or Us and Parties means You and Us.
<b>Subterranean Termites</b>	Termites that normally access their food source via the ground.
<b>Termite Management System</b>	The system installed in order to protect the Building from Subterranean Termites and shown on the Policy Certificate.
<b>You/Your</b>	The registered owner of the Building.

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