

EXPOSURE DRAFT



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Terrorism Insurance Amendment Regulations 2017

I, General the Honourable Sir Peter Cosgrove AK MC (Ret'd), Governor-General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council, make the following regulations.

Dated 2017

Peter Cosgrove
Governor-General

By His Excellency's Command

Kelly O'Dwyer [**DRAFT ONLY—NOT FOR SIGNATURE**]
Minister for Revenue and Financial Services

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1 Name

This instrument is the *Terrorism Insurance Amendment Regulations 2017*.

2 Commencement

- (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	1 July 2017.	1 July 2017

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

3 Authority

This instrument is made under the *Terrorism Insurance Act 2003*.

4 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

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Schedule 1—Amendments

Terrorism Insurance Regulations 2003

1 Regulation 3

Insert:

contents, of a building or part of a building, means any of the following items in that building or that part of the building:

- (a) furniture, furnishings and carpets (whether fixed or unfixed);
- (b) household goods;
- (c) clothing and other personal effects;
- (d) a picture;
- (e) a work of art;
- (f) a fur;
- (g) a piece of jewellery;
- (h) a gold or silver article;
- (i) a document of any kind;
- (j) a collection of any kind;
- (k) swimming pools that are not fixtures;

that are items owned by the insured or by a member of the insured's family ordinarily residing with the insured.

mainly residential building means a building that:

- (a) has more than 80% of its floor space for use wholly or mainly for residential purposes; and
- (b) has a sum-insured value of less than \$50 million; and
- (c) is none of the following:
 - (i) a hotel, motel or boarding house;
 - (ii) a building in the course of construction;
 - (iii) a temporary building or structure or a demountable or moveable structure;
 - (iv) a caravan (whether fixed to land or not).

residential part of a mixed-use or high-value building means a part of a building if:

- (a) the building is not a mainly residential building; and
- (b) the part is for use wholly or mainly for residential purposes.

2 After regulation 6

Insert:

10 Application of the *Terrorism Insurance Amendment Regulations 2017*

The amendments of these Regulations made by the *Terrorism Insurance Amendment Regulations 2017* apply in relation to contracts of insurance made, or whose term is extended, at or after the time those amendments commence.

3 Paragraphs 2(a) and (b) of Schedule 1

Repeal the paragraphs, substitute:

- (a) destruction or damage to a mainly residential building; or
- (b) loss or damage to the contents of a mainly residential building; or

4 Paragraph 2(d) of Schedule 1

Repeal the paragraph, substitute:

- (d) loss or damage to personal property that:
 - (i) is wholly or mainly used for personal, domestic or household purposes by the insured, a relative of the insured or a person who resides with the insured; and
 - (ii) is of a kind that is ordinarily used by people for such purposes; unless the personal property is part of the contents of a residential part of a mixed-use or high-value building.