

# Product Disclosure Statement and Insurance Policy

TheOwnerBuilder  
Specialists



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## Part A: Product Disclosure Statement

### Product Disclosure Statement - What's its Purpose?

This booklet contains a Product Disclosure Statement (PDS) for this Policy. A PDS is a document required by the Corporations Act. The purpose of this PDS is to help **you** understand the cover offered and provide **you** with sufficient information to enable you to compare and make an informed decision about whether to purchase this **Policy**. The PDS also sets out the significant features, benefits and risks associated with this **Policy**. **You** still need to read the **Policy** Wording for a full description of the terms, conditions and limitations.

Before this **Policy** may be issued to **you**, **you** must read this PDS, complete a **Proposal** and sign a declaration.

Preparation date: 01 April 2009 (Ref. CROWN CO 0409)

### Updating the PDS

Information in this PDS may need to be updated from time to time. **You** can obtain a paper copy of any updated information without charge by contacting us or **your** insurance intermediary. **You** can also obtain an electronic copy without charge by contacting **us** or **your** insurance intermediary. The Corporations Act requires us to tell **you** that, if the update is to correct a misleading or deceptive statement or an omission, that is materially adverse from the point of view of a reasonable person deciding whether to acquire this **Policy**, we will provide **you** with a new PDS or a supplementary PDS.

### About Calliden

Calliden Insurance Limited (**us/we**) ABN 47 004 125 268, AFS Licence No. 234438 is the insurer and issuer of this **Policy** and this **PDS**.

Calliden specialises in developing tailored insurance solutions, in partnership with insurance intermediaries, for affinity groups and associations in Australia. To find out more about **us**, visit [www.calliden.com.au](http://www.calliden.com.au)

### How to Contact Us

**You** may contact **us** by:

- Phone: 02 9551 1111
- Fax: 02 9551 1155

or alternatively by writing to **us** at the following address:  
Calliden Insurance Limited Level 7, 100 Arthur Street,  
North Sydney, NSW, 2060 Australia

### What is Owner Builder Construction Insurance?

This **Policy** has two types of Cover: Material Damage in Section 1 and Liability in Section 2.

The material damage cover in section 1 is designed to protect **you** from loss or damage to the **Construction Works** which are the subject of the **Policy**. Provided

**your Sums Insured** are adequate **we** will repair or replace property lost or damaged up to the **Sum Insured**. For example if **you** are building an extension to **your** home and a storm strikes then **we** will repair the damage to the **Construction Works** caused by the storm. The **Policy** also provides automatic cover for **Removal of Debris** and professional fees up to 10% of the **Sum Insured** for each and expediting expenses up to 5% of the **Sum Insured**. **You** may also select additional levels of cover or optional extensions such as Transit cover and Mitigation expenses.

The Liability cover in Section 2 is designed to protect **you** from legal liability **you** may have to third parties for **Personal Injury** or **Property Damage** they might suffer as a result of you doing the **Construction Works** which are the subject of the property. Not all third parties are covered and not all **Personal Injury** and **Property Damage** is covered.

### Cooling Off Period

There is a 21 day cooling off period. If **you** are not completely satisfied with **your Policy**, **you** can cancel it by writing to **us** or **your** insurance intermediary within 21 days of the issue date and receive a full refund, other than non-refundable government taxes and duties.

This will not apply if **you** make a claim under the **Policy** within the 21 day period.

### Not Everything is Covered

Not everything is covered by the **Policy** - there are limitations. It is important that **you** read the **Policy** carefully to understand the extent of cover and its limitations. For example: **we** will not pay for any **Personal Injury** or **Property Damage** directly or indirectly caused by:

- terrorism
- fraudulent claims
- asbestos
- piling, shoring & underpinning
- vibration, removal or weakening of support
- work in, on, under or over or immediately adjacent to any ocean, lake, river or other watercourse
- **sub-contractors**
- negligence to voluntary workers
- bushfire to commenced projects within 7 days of inception
- **your** failure to satisfy **our** underground services provision
- damage or loss to hoarding, temporary buildings, scaffolding, formwork, false work
- mould and other micro organism
- tools, plant and equipment.

Even in instances where this **Policy** will provide the cover **you** require, the cover may not be adequate for **you** because:

- the level of **Sum Insured** which **you** have selected is less than what **you** actually require
- the automatic covers provided are less than what **you**

## Part A: Product Disclosure Statement Continued

actually required and **you** did not purchase additional cover

- **your** claim is made outside the **Period of Insurance**
- the application of an **Excess** means that the payment **you** receive is less than **you** expect
- **you** did not take reasonable care to reduce the risk
- **you** have altered the risk without telling **us**
- **you** have failed to comply with the re-instatement of **Sum Insured** conditions
- have prevented **our** rights of recovery.

If you do not comply with the **Policy** terms and conditions, for example, **your** duty of disclosure, **we** can refuse to pay part or all of a claim.

### Your Duty of Disclosure

#### What You Must Tell Us When Applying for or Changing this Policy

When **you** apply for this **Policy**, **you** have a legal duty to tell us everything that **you** know, or could reasonably be expected to know, that is relevant to **our** decision whether to insure **you** and on what terms.

However, **you** do not need to disclose anything unless **we** specifically ask **you** about it. In response to a question from **us**, **you** not only have a duty to be honest but you also must tell us everything **you** know and which a reasonable person in **your** circumstances would tell **us**. **We** will use **your** answers in deciding whether to insure **you** and anyone else to be insured under the **Policy**, and on what terms.

#### Who Needs to Tell Us

It is important that **you** understand **you** are answering **our** questions in this way for yourself and anyone else whom **you** want to be covered by the **Policy**.

#### If You Do Not Tell Us

If **you** do not answer **our** questions in this way, **we** may reduce or refuse to pay a claim, or cancel the **Policy**. If **you** answer **our** questions fraudulently, **we** may refuse to pay a claim and treat the **Policy** as never having worked.

#### What Do You Pay for Owner-Builder Construction Insurance?

The cost of this **Policy** is based on the cover **you** have selected and the information **you** provide to **us** in **your** application. The cost of this **Policy** is affected by:

- cost of the project
- location of the **Construction Site**
- **Period of Insurance**
- status quo of the project at inception
- **Excess** selected
- construction methods used
- size and description of the project
- cover **you** elect
- prior claims or uninsured losses.

**You** also have to pay GST and any relevant government charges (such as stamp duty) where applicable. These amounts add up to the total **Premium you** must pay.

Once the **Policy** is issued **your Premium**, GST and any relevant government charges are shown on the **Schedule**. If **you** change **your Policy** in any way **you** may be entitled to a **Premium** refund or asked to pay an additional amount.

### Other Costs, Fees and Charges

Other costs, fees and charges which may be applicable to the purchase of your **Policy** include:

Costs or Fees	Details
Cancellation Fee	You may cancel <b>your Policy</b> at any time. If <b>you</b> choose to cancel <b>your Policy we</b> will retain a portion of premium which relates to the period for which <b>you</b> have been insured. <b>We</b> will refund the residue for the unexpired period, less any non-refundable government taxes or charges, provided that: <ul style="list-style-type: none"> <li>• no event has occurred where liability arises under the <b>Policy</b>; and</li> <li>• <b>you</b> pay the applicable cancellation fee. For details of <b>your</b> cancellation fee please refer to <b>your</b> Financial Services Guide (FSG), Statement of Advice (SOA) or contact <b>your</b> broker or insurance intermediary directly.</li> </ul>
Administration Fee	Your broker or insurance intermediary may charge an administration fee for issuing <b>your</b> policy documentation. For details of <b>your</b> administration fee please refer to <b>your</b> FSG, SOA or contact <b>your</b> broker or insurance intermediary directly.
Commissions	Your broker or insurance intermediary may receive a commission payment from <b>us</b> when <b>your Policy</b> is issued and renewed. For details of the relevant commission paid, please refer to <b>your</b> FSG, SOA or contact <b>your</b> broker or insurance intermediary directly.

### Excess

The **Excess** is the amount **you** must contribute towards the cost of any claim **you** make. The **Excess** applicable will be shown in **your Schedule**.

The following is a list of the standard Excesses which may apply to your claim:

- In the event of loss or damage caused by theft, burglary or vandalism following forcible or violent

## Part A: Product Disclosure Statement Continued

entry, **you** will be required to pay an **Excess** of \$1,000 (NSW) and \$500 (all other states) for each and every loss.

- In the event of loss or damage caused by theft, burglary or vandalism without forcible or violent entry, **you** will be required to pay an **Excess** of \$2,500 (NSW) and \$1,000 (all other states) for each and every loss.
- If **you** are building a Kit Home:
  - In the event of loss or damage caused by theft, burglary or vandalism following forcible or violent entry, **you** will be required to pay an **Excess** of \$2,000 for each and every loss.
  - In the event of loss or damage caused by theft, burglary or vandalism without forcible or violent entry, **you** will be required to pay an **Excess** of \$5,000 for each and every loss.
- In the event of loss or damage caused by a named cyclones, **you** will be required to pay an **Excess** of \$5,000 for each and every loss (in Queensland and Western Australia).
- **You** will be required to pay an **Excess** of \$500 for each and every claim for Personal Injury.
- **You** will be required to pay an **Excess** of \$500 for each and every loss for all other claims **you** make under the **Policy**.

**We** may at **our** discretion increase any of the **Excesses** listed above or impose additional **Excesses** based on **our** overall assessment of the risk and **your** claims or loss history. If **we** increase any of the above listed **Excesses** or impose additional **Excesses**, this will be shown on **your Schedule**.

Further, if the period of insurance exceeds 12 months and **we** agree to continue **your** cover, the standard **Excesses** listed above may increase and/or we may impose additional **Excesses**. The increase in any **Excesses** or the imposition of additional **Excesses** will depend on **our** overall assessment of the risk and the amount of time **your** period of insurance is extended by. Any variation to the standard **Excesses** listed above or the imposition of additional **Excesses** will be shown on **your Schedule**.

### Non-Renewable Policy

This **Policy** is non-renewable and is of the kind which is usually non-renewable. As such, this **Policy** will terminate at the end of the **Period of Insurance** specified in **your Policy Schedule** and defined in **your Policy**.

An extension of the **Period of Insurance** is not always available and will be determined by the specific details relating to the current **Construction Works** and/or any loss history. If **you** want to apply for similar insurance for a subsequent **Period of Insurance**, **you** will need to contact **your** intermediary, inform them of the current details and request an extension.

### The Amount You pay Towards a Claim

If **you** make a claim under the **Policy**, **you** may be

required to pay one or more **Excesses**. The descriptions of these **Excesses** and the circumstances in which they are applied are shown in **your Schedule** and in the **Policy** itself.

### How to Make a Claim

To make a claim please contact **us** on 1300 785 544 or contact **your** insurance intermediary. For full details on claims procedures please refer to page 21 of the **Policy**.

### Important Information

The terms, conditions and provisions of the insurance **we** offer **you** are set out in **your Policy**. It is important that **you**:

- read all of **your Policy** before **you** buy it to make sure that it gives **you** the protection **you** need;
- are aware of the limits on the cover provided and the amounts **we** will pay **you** (including any **Excess** that applies);
- are aware of the definitions in **your Policy**.

**You** will find definitions throughout the **Policy**.

For the limits on the cover provided:

- some of these will be stated in the **Policy** itself (these are **our** standard policy limits); and
- the remainder will be stated in **your Schedule**. In some circumstances the terms and conditions of this **Policy** may be amended by endorsement. If **your Policy** is endorsed **you** will receive notification of the endorsement.

### We Respect Your and the Insured Persons' Privacy

Calliden respects **your** privacy and operates at all times in accordance with its privacy policy. This privacy notification provides a summary of how Calliden treats **your** privacy, and it is recommended that **you** read the policy in conjunction with this notice.

Calliden collects personal information to assess **your** request for insurance, to administer **your** policy, provide other insurance services as requested by **you**, and also to notify **you** about other Calliden services or promotions from time to time. At the time of collecting **your** information **we** will inform **you** of the purpose for the collection and the consequences if **you** choose not to provide the information.

In order to provide its insurance services Calliden may need to share **your** information with third parties including **your** agent or broker and Calliden's reinsurers and claims providers (for a full list see Calliden's privacy policy).

In accordance with Calliden's privacy policy **you** may obtain access at any time to information that Calliden or its service providers hold on **you**. If **you** would like to contact Calliden about privacy, or would like to obtain a copy of the privacy policy **you** may do so through one

## Part A: Product Disclosure Statement Continued

of the following means:

- obtain the privacy policy online at [www.calliden.com.au](http://www.calliden.com.au)
- by phone 02 9551 1111
- by email to [privacy@calliden.com.au](mailto:privacy@calliden.com.au)
- by letter to Privacy Officer, PO Box 348, Milsons Point NSW 1565.

### Dispute Resolution Process

#### How You Can Resolve a Complaint You Have with Us

If you would like to make a complaint, **we** will do everything **we** can to try to resolve it as quickly and fairly as possible. The following paragraphs provide details on how **you** can lodge **your** complaint and how Calliden will try to resolve it.

**You** may contact us at any time if **you** are dissatisfied with any matter relating to **your** insurance with Calliden, including:

- **our** decision on **your** claim;
- **our** handling of **your** claim;
- the service of **our** representatives, assessors, loss adjusters or investigators; and
- **your** insurance **Policy**.

#### Contact Us

If you have a complaint regarding **your** claim, please contact **your** claims consultant.

If you have a complaint regarding **your** insurance **Policy**, please contact us on 02 9551 1111 and **we** will try to resolve **your** complaint straight away.

**You** can write to **us** at:

- Fax: 02 9551 1155
- Address: PO Box 348, Milsons Point NSW 1565

#### How We Resolve Complaints

- **We** will address all complaints, except where specific circumstances apply, in accordance with Calliden's Complaints Handling Process. This process is compliant with the Insurance Council of Australia's Code of Practice. Both the Code of Practice and **our** Complaints Brochure, which contains a guide to **our** process, are available upon request.
- **We** will handle all complaints without cost to **you**.
- A complaints consultant will be assigned to the management of **your** complaint and will acknowledge **your** complaint within 2 business days of receipt. If further information is required to consider the complaint, it will be requested at this time.
- The complaints consultant will aim to resolve **your** complaint within a further 13 business days. In certain circumstances a longer period may be required, and **we** will request a later response date.

The outcome of the complaint will be advised to **you** in

writing, stating **our** reasons and any corrective action that will be undertaken.

#### If Your Complaint is still Unresolved

If **we** cannot resolve **your** complaint within 15 business days or **you** are not happy with **our** response to **your** complaint, **you** can seek an external review via **our** external dispute resolution scheme, administered by the Financial Ombudsman Service (FOS).

This national scheme is for consumers, free of charge and is aimed at resolving disputes between insured's and their insurance companies.

For more information call 1300 78 08 08 or visit [www.fos.org.au](http://www.fos.org.au)

If the FOS is unable to address **your** complaint then Calliden may be able to provide **you** with details of an alternative external dispute resolution service.

#### GST Notice

This **Policy** has a GST provision in relation to Premium (see definition of Premium) and **our** payment to **you** for claims (see Claims Procedures, page 21). It may have an impact on how **you** determine the amount of insurance **you** need, please read it carefully.

#### General Insurance Code of Practice

Calliden is a signatory to the General Insurance Code of Practice (Code). The Code aims to raise standards of service between insurers and their customers. Calliden's service standards are in accordance with the Code.

For any information about the Code, including a copy of the Code, contact **us** or the Financial Ombudsman Service on 1300 78 08 08 or visit [www.codeofpractice.com.au](http://www.codeofpractice.com.au)

## Part B: Policy Wording—General Definitions

The intended meaning of some of the important words used in this **Policy** are shown below. **You** should read them carefully. For convenience they appear with capitals and in bold type throughout this **Policy**.

### Aircraft

Any vessel, craft, device or thing designed to fly in or through the atmosphere or space including any vessel, craft, device or thing made or intended to be propelled on a cushion of air over the surface of land or water.

### Civil Work

- i. The construction, alterations and additions of tunnels, shafts, caverns, bridges, dams/ reservoirs and weirs, pipelines, roads and runways, underground risks, wharves, jetties, piers, railways and tramways, harbour works, ocean outfalls/intake works, retaining walls (in excess of 5 metres), silos, towers and commercial sub developments and mining
- ii. Any work where more than 50% of its construction value is attributable to earthwork, piling work, lateral support, specialised structures and similar structures.

### Construction Site

The location specified in the **Schedule** at which the **Construction Works** insured by this **Policy** will be performed.

### Construction Works

The works and items used of the type referred to in the **Schedule**, located at the **Construction Site** which shall include:

- i. Performance of all work at the **Construction Site** directly related to completing the specified works;
- ii. All engineering, materials supplied, freight, packaging, fees, customs duties, construction, partially completed work, electrical or mechanical costs, installation or erection costs; and
- iii. Owner supplied materials for incorporation into the works

**Construction Works** does not include:

- i. Pre-existing property unless incorporated in the **Schedule**;
- ii. Tools
- iii. Contractor's plant and equipment, vehicles, hoarding, temporary buildings, scaffolding, formwork or false work. In this definition, contractor's plant and equipment means vehicles, hoists, cranes, earth moving equipment, air compressors, welding equipment or other similar plant whether self-propelled or non self-propelled.
- iv. Transit
- v. Materials stored offsite

### Construction Works Sum Insured

The value of **Construction Works** specified in the **Schedule** plus:

- i. Professional fees up to 10% of the **Construction Works Sum Insured**
- ii. Removal of debris up to 10% of the **Construction Works Sum Insured**
- iii. Escalation Allowance up to 10% of the **Construction Works Sum Insured**
- iv. Expediting Expenses up to 5% of the **Construction Works Sum Insured**.

### Excess

The sum or sums of money **you** are required to first pay towards all claims as indicated on the **Schedule**.

### Electronic Data

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 programs, software and other coded instructions for such equipment.

### Endorsement

A certificate or replacement **Schedule** issued by us noting alterations or changes to the **Policy**.

### Extension Certificate

A certificate issued by **us** extending the **Period of Insurance**.

### Limit of Liability

The amount(s) specified as such in the **Schedule**.

### Occurrence

Any:

- i. event or series of events, including continuous or repeated exposure to substantially the same general conditions, which results in **Personal Injury** or **Property Damage** neither expected nor intended by **you**; or
- ii. intentional act, by **you** or at **your** direction, resulting in **Personal Injury** but only if such **Personal Injury** arises solely from the use of reasonable force for the purpose of protecting persons or property.

### Period of Insurance

The **Period of Insurance** cover will commence:

- on the date specified in the Schedule; or
- upon commencement of work on site, whichever is the later.

The **Period of Insurance** will end at the earliest date of:

- i. the time of practical completion, being when the **Construction Works** are complete, except for minor omissions and minor defects which do not prevent the **Construction Works** from being reasonably capable of being used for their intended purpose and with respect to any separable portion of the **Construction Works**, when they are individually capable of being used for their intended purpose; or

## Part B: Policy Wording—General Definitions Continued

- ii. at the time a certificate of practical completion or similar document is issued by the local authorities; or
- iii. the date specified in the **Schedule**

### Personal Injury

Any:

- i. bodily injury, sickness or disease, including death, shock, fright, mental anguish, mental injury or disability;
- ii. unlawful arrest, wrongful detention or false imprisonment;
- iii. wrongful entry or eviction or other invasion of privacy; or
- iv. publication of a libel or utterance of a slander or other defamatory material.

### Policy/your Policy

This PDS/policy wording, the application, the **Schedule**, any **extension certificate** and any special conditions or **Endorsements** issued to **you** in either electronic or written form.

### Pollutants

Any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

### Premium

The amount payable by **you** for the insurance provided by **us** under this **Policy** including all applicable taxes, duties and imposts as invoiced by **us** or on our behalf.

### Property Damage

- i. Physical loss, destruction or damage to tangible property, including loss of use of that property at any time resulting therefrom; or
- ii. Loss of use of tangible property not physically lost, destroyed or damaged where such loss of use results from physical loss, destruction or damage to other tangible property.

### Proposal

The form completed by **you** giving answers, particulars and statements in respect of the insurance required by **you**.

### Schedule

The schedule issued by **us** for this **Policy**.

### Sub-Contractor

Any person conducting work at the **Construction Site** where payment in any form was agreed to, arranged or discussed prior to the work being conducted.

### Sum Insured

The relevant amount specified as such in the **Schedule**.

### Territorial Limit

Is specifically defined in each of Sections 1 and 2 and is the applicable geographical location or boundary outside of which there is no cover provided by this **Policy**.

### Terrorism

Includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- i. involves violence against one or more persons;
- ii. involves damage to property;
- iii. endangers life other than that of the person committing the action;
- iv. creates a risk to health or safety of the public or a section of the public; or
- v. is designed to interfere with or to disrupt an electronic system.

### Tunnelling Construction

**Any work involving the excavation of an artificial subterranean passage.**

### Vehicle

Any machine on wheels or self-laid tracks, designed to be propelled by other than manual or animal power and any trailer or other attachment designed to be drawn by any such machine but not including an aircraft or watercraft.

### Voluntary Worker

Any person who undertakes any activity in any way connected to the **Construction Works**:

- i. on a voluntary basis; or
- ii. for which any form of reward will not be a component of their taxable income; or
- iii. where there is no quote and/or written agreement on costs of work prior to any work being conducted.

### you/your

The person, persons, partnership, company or corporation named as the insured in the **Schedule**.

### Watercraft

Any vessel, craft, device or thing designed to float on or in water or to travel on or through water, the hull length of which exceeds 8 metres.

### we/our/ours/us

Calliden Insurance Limited (Calliden) (ABN 47 004 125 268, AFSL 234438).

### Wet Construction

Any work in, on, under or over or immediately adjacent to any ocean, lake, river or other watercourse.

Some other words have special meanings and they are explained where they occur in the **Policy**.

## General Conditions

### 1. Observance of Terms and Conditions

**You** and **your** employees and agents must comply with and observe all terms and conditions of this **Policy** insofar as they relate to anything to be done or complied with by **you**.

### 2. Interpretation

The singular includes the plural and vice versa, unless the context otherwise requires. A reference to a person includes a body corporate, an unincorporated body or other entity. Headings are for convenience only and do not affect interpretation. Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.

### 3. Reasonable Care

**You** and **your** employees, contractors, **Voluntary Workers** and agents must at your expense:

- i. take all reasonable precautions to prevent or minimise loss, damage or liability including preserving, without alteration, damaged property, defective property and property that may provide evidence in relation to any claim, until **we** have had an opportunity to inspect it;
- ii. comply with all reasonable recommendations made by **us** to prevent loss or damage;
- iii. in the event of an **Occurrence**, take all reasonable steps to prevent other **Personal Injury** or **Property Damage** from arising out of the same or similar circumstances, and ensure the safety and sound condition of **your** Premises;
- iv. comply with all statutory requirements and recommendations of manufacturers and suppliers; and
- v. ensure all safety devices are installed and connected.

### 4. Inspection

If required by **us**, **you** must allow **us** and **our** agents and representatives to inspect the **Construction Site** and operations at any time during normal business hours but **we** make no representation or warranty that they comply with any law or meet any standard.

### 5. Alteration of Risk

**You** must immediately notify **us** in writing of any alteration to the facts or circumstances relating to the **Construction Site** or **Construction Works** that existed when **we** agreed to insure **you** under this **Policy**. If **we** agree in writing to insure the altered risk, **you** must pay any additional **Premium** requested by **us**. If **we** do not agree to insure the altered risk or if **you** do not pay the additional premium, **we** will not indemnify **you** for any liability caused by or arising directly or indirectly out of or in connection with such alteration.

### 6. Severability

A term or condition of this **Policy** that is illegal or unenforceable may be severed from this **Policy** and the remaining terms and conditions of this **Policy**, or parts thereof, continue in force.

### 7. Other Insurance

In the event of any claim being made under this **Policy**, **you** must notify **us** of any other insurance covering the same loss or damage.

### 8. Joint Insureds

Where there is more than one person insured under this **Policy**:

- i. Any notice given by **us** under **your Policy** to any one of **you** will be deemed to be notice given to all of **you**;
- ii. The duty of disclosure will apply to every person or organisation. Failure by any insured person to comply with the duty of disclosure will be deemed a failure by all of **you**;
- iii. Any misrepresentation of fraudulent actions or statements made by any person will be deemed to be made by all of **you**; and/or
- iv. Any claim made by any person will be deemed to be a claim made by all of **you**.

### 9. Cross Liability

Subject to condition 8 where **you** comprise more than one party, each of **you** is considered as a separate legal entity and the expressions '**you**' and '**your**' apply to each party as if a separate **Policy** had been issued to each of the parties but **our** aggregate liability is limited to the **Limit of Liability**.

### 10. Discharge of Liabilities

- i. **We** may at any time pay to **you**, or on **your** behalf, in respect of any claim:
  - a) the amount of the **Limit of Liability**; or
  - b) any lesser sum for which the claim can be settled after deduction of any sum already paid as compensation in respect of the claim.
- ii. Upon the payment set out in paragraph a), **we** will relinquish control of the claim and be under no further liability under this **Policy** in connection with the claim except for costs, charges and expenses:
  - recoverable from **you** in respect of the period prior to the date of the payment, whether or not pursuant to an order made subsequently; and
  - incurred by **us** or incurred by **you** with **our** written consent prior to the date of the payment.
- iii. **We** will not pay for any claim or judgment or defend any claim after **our Limit of Liability** has been exhausted.

## General Conditions Continued

### 11. Interests of Other Parties

**We** will not be required to recognise the interests of any third party under this **Policy** unless written notice of such interest has been given to and accepted by **us**.

### 12. Subrogation

If **we** make or agree to make a payment under this policy to **you** or on **your** behalf then, subject to the Insurance Contracts Act 1984 as amended from time to time, **we** will be subrogated to all of **your** rights of recovery against all persons before or after **we** have paid your claim or whether or not **we** have paid **your** claim in part or in full and **you** must, at **our** request and expense, take all reasonable steps and provide all assistance reasonably necessary to assist **us** in the exercise of **our** rights.

### 13. Preventing Our Right of Recovery

Where another person is liable to compensate you or other persons covered for any loss, damage or liability which is covered by **your Policy** but agreement has been made with the person not to seek recovery of monies from them, **we** will not provide cover under your **Policy** for that loss, damage or liability.

### 14. Cancellation

**This policy may be cancelled by:**

- a) **You** at any time notifying **us** in writing, in which case cancellation takes place when **we** receive the notice; and
- b) **Us** on any grounds set out in the Insurance Contracts Act 1984, as amended from time to time.

You must supply **us** with such particulars including scope of works completed as **we** may require for the adjustment of the **Premium** following any cancellation.

In the event that the **Construction Works** are completed prior to the **Construction Period**, no return premium shall be allowed for the unexpired portion of the **Construction Period**.

### 15. Excess

In respect of any loss, damage or liability for which **you** are entitled to indemnity under this **Policy**, **you** will bear the amount of the **Excess** and **we** will only be liable to indemnify **you** for that part of any loss or claim which is greater than the **Excess**. Costs and expenses incurred by **you** in the investigation, settlement or defence of any claim for compensation for which **you** are entitled to indemnity under this **Policy** are not included in the **Excess** and shall not be applied to erode the **Excess**.

### 16. Loss Accumulation

For the purpose of the application of the **Excess** all loss or damage to **Construction Works** arising during any period of seventy two consecutive hours caused by storm, tempest, flood, cyclone or earthquake shall be deemed to be a single event and therefore to constitute

one **Occurrence**. **You** may select the time from which any such period will commence but no two such periods may overlap.

### 17. Jurisdiction

All disputes arising out of or under this **Policy** will be subject to determination by any court of competent jurisdiction within Australia.

### 18. Sub-Contractors

All sub-contractors must:

- i. have a minimum of \$5,000,000 public and products liability insurance and relevant employers liability insurance;
- ii. conduct a thorough safety inspection of the **Construction Site** prior to beginning any work or delegating any work;
- iii. be required to comply with all relevant safety requirements applicable to the work they will be conducting on the **Construction Site**; and
- iv. be accredited or licensed where applicable for the work they or persons under their instruction and/or employment are performing.

### 19. Insurance Contracts Act 1984 (as amended)

Nothing contained in this **Policy** is to be construed to reduce, negate or waive either **your** or **our** rights, privileges or remedies available under the Insurance Contracts Act 1984 (as amended).

### 20. Alteration of Sum Insured

**You** must increase or decrease the **Sum Insured** stated under those items in the **Schedule** in the event of any material fluctuation in wages or prices not already considered, but provided always that such increase or decrease takes effect only after it has been recorded in the **Policy** by **us**.

## General Exclusions

Your Policy does not cover loss, **Property Damage**, **Personal Injury**, consequential loss, cost or expense, disablement or liability directly or indirectly caused or contributed to by, resulting from or arising out, of or in connection with:

### 1. Computers and Technology

- a) **Property Damage** to **Electronic Data** caused by or arising directly or indirectly out of the total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **Electronic Data** or any 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 at all or any consequential loss resulting therefrom;
- b) the use of an intranet or the Internet (including but not limited to the World Wide Web and electronic mail systems) by **you** or on **your** behalf.

### 2. War, Terrorism and Nuclear Material

- a) War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion, coup, military rising, insurrection, military or usurped power, rebellion, revolution, confiscation, nationalisation, requisition or looting, sacking or pillage, destruction of or damage to property by or under the order of any government or public or local authority;
- b) Any **Terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss;
- c) Any action in controlling, preventing, suppressing, retaliating against, or responding to **Terrorism**; or
- d) Nuclear weapons material or ionising radiation or contamination by radioactivity from any nuclear fuel or nuclear waste or from the combustion of nuclear fuel or from any other self-sustaining process of nuclear fission.

### 3. Cessation or Abandonment of Work

Any cessation of work exceeding 30 consecutive days, or immediately following abandonment.

### 4. Insolvency

Your insolvency or that of **your** sub-contractors which permanently discontinues or unduly delays the **Construction Works**, or for the repair or replacement of the **Construction Works** damaged by such delays.

### 5. Asbestos

Any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity.

### 6. Cutting, Heating or Welding

Non-compliance by **you** or by others working on **your** behalf with applicable laws and standards relating to welding and allied processes including, but not limited to, AS 1674.1-1997 "Safety in welding and allied processes – Fire precautions" published by Standards Australia and as amended or substituted from time to time.

### 7. Demolition

The demolition of buildings or structures other than that done using hand tools only and even then limited to any external demolition or internal structural works conducted under 5 metres above ground level and/or 1.5 metres below ground level and/or not forming part of a new **Construction Works** project.

### 8. Civil Commotion, Strikes, Wilful Acts, Lawful Right

#### Civil Commotion

The conduct of any persons taking part in any riot, civil commotion, strike, lock-out, industrial disputation, conspiracy, or any persons acting maliciously on behalf of or in connection with any political organisation.

#### Strikes

Persons taking part in any strike, industrial disputation or picket causing any process, operation or work to cease or be interrupted.

#### Wilful Acts

**Your** wilful act or omission or reckless act or that of **your** agents or representatives.

#### Lawful Right

The exercise of any lawful right of seizure, removal, repossession or lien in relation to any materials or components forming part of the **Construction Works** regardless of the cause of action.

### 9. Excess

The amount of the **Excess** in the **Schedule** to be borne by **you** for any one **Occurrence**.

### 10. Excavation, Piling, Shoring and Underpinning

Any excavation, piling, shoring, or underpinning work other than for excavation as provided for under General Exclusions 7, 15 and 20, but provided always that any excavation will never exceed 1.5 metres in depth below ground level and will be subject to conditions applicable to exclusion 15.

### 11. Vibration, Removal or Weakening of Supports

The removal or weakening of or interference with support to land, buildings or any other property.

### 12. Watercraft, Aircraft

## General Exclusions Continued

Watercraft or Aircraft owned by you.

### 13. Documents and Other Valuables

Loss of or damage to files, drawings, cash, bank or treasury notes, postal-orders, bonds, bills of exchange, promissory notes, computer software, accounts, bills, currency, stamps, deeds, evidence of debt, notes, securities, cheques or any other documents of whatever nature which are owned by **you** or for which **you** have assumed or would be determined to have legal responsibility.

### 14. Inventory Losses

Loss or damage discovered only at the time an inventory is taken.

### 15. Excavation Limitation and Underground Service Provision

Excavation except where **you** have contacted the appropriate authorities to verify the existence and location of underground services and have obtained from them a plan detailing the location of such services prior to commencement of work. Provided that at all times no excavation is to be carried out beyond 1.5 metres below ground level.

### 16. Territorial Limits

Occurring or arising outside the **Territorial Limit** or caused by or arising directly or indirectly out of or in connection with the application of laws other than those of Australia or any actions instituted outside of Australia.

### 17. Fraudulent and Intentional Conduct

- a) Dishonest, fraudulent, criminal or malicious conduct; or
- b) Wilful breach of statute; or
- c) Conduct intended to cause **Personal Injury** or **Property Damage** or conduct with reckless disregard for **Personal Injury** or **Property Damage** by you or anyone acting on **your** behalf or with **your** knowledge or connivance.

### 18. Design, Plan, Specification

The design, plan, formula or specification of the construction works or any errors or omission in such.

### 19. Wet Construction

Any Wet Construction.

### 20. Tunnelling

Any **Tunnelling Construction**, other than trenches, foundation work and minor remedial work to an existing artificial subterranean passage carried out at a depth of no greater than 1.5 metres below ground level.

### 21. Civil Work

Any **Civil Work** of any kind.

### 22. Persons residing with you or With a Financial Interest

Any loss or **Personal Injury** to any person who normally resides with you or who has a financial interest in the **Construction Works** or the **Construction Site**.

## Section 1 – Material Damage

In consideration of the payment of Premium and subject to the terms, definitions conditions, exclusions and **Limits of Liability** of this policy, we agree to indemnify **you** for loss or damage to your property forming part of the **Construction Works** that **you** suffer as a result of an **Occurrence** happening in connection with the **Construction Works** provided:

- i. The loss or damage occurs and is discovered during the **Period of Insurance**;
- ii. That loss or damage occurs within the **Territorial Limits**; and
- iii. **You** own the **Construction Site**

### Additional Covers

Where **we** pay out a claim under Section 1 – Material Damage, **we** also provide the following additional covers provided that:

- i. the **Sum Insured** has not been exhausted, and
- ii. the average provision does not apply.

### 1. Removal of Debris

An amount up to 10% of the **Construction Works Sum Insured** is automatically provided to cover the removal of debris which is limited to the:

- i. removal and disposal of debris necessary to restore or replace damaged insured property as per the **Schedule**;
- ii. the demolition, removal and disposal of damaged insured property; and
- iii. the demolition, removal and disposal of undamaged insured property necessary to restore or replace damaged insured property.

### 2. Professional Fees

An amount up to 10% of the **Construction Works Sum Insured** is automatically provided being the cost of architects, surveyors, consulting engineers and other professional consultants to restore or replace insured property.

Provided always that professional fees will not:

- i. include any fees for the preparation of a claim or estimate of fees;
- ii. exceed those authorised under the scales of the various institutions regulating such charges prevailing at the time of the loss or damage.

### 3. Expediting Expenses

An amount of up to 5% of the **Construction Works Sum Insured** is automatically provided for the costs of express delivery within Australia, the hire of additional equipment and the costs of purchasing resources necessary to reinstate, repair or replace the insured property of the **Construction Works**.

Express delivery will include carriage by airfreight within

the Territorial Limit by use of licensed airline(s) only, operating on a regular scheduled service. Costs associated with aircraft specifically chartered for the purpose are not covered.

### 4. Escalation Allowance

If during the **Period of Insurance** there is an increase in the cost of the **Construction Works** (which exceeds the value stated in the **Schedule**) then the **Construction Works Sum Insured** specified in the **Schedule** will be increased by the same proportion. Provided that the amount of such increase will not exceed 10% of the **Construction Works Sum Insured** originally stated in the **Schedule**, unless expressly agreed in writing by **us**.

### 5. Basis of Settlement

The basis of settlement under Section 1 – Material Damage (including optional covers 1 –Existing Property / Structures and 3 - Transit) used by us will be as follows:

- a) in the case of damage which can be repaired, the cost of repairs necessary to restore the items to their condition immediately before the **Occurrence** of the damage, less any salvage; or
- b) in the case of a total loss, the actual value of items immediately before the **Occurrence** of the loss, less any salvage,

Provided always that:

- i. the **Limit of Liability** for loss to the **Construction Works** under any or all of the **Construction Works** section or sub sections shall not exceed the **Sum Insured**,
- ii. all losses are subject to the application of any **Excess**,
- iii. all damage which can be repaired must be repaired, but if the cost of repairing any damage equals or exceeds the value of items immediately before the **Occurrence** of the damage, settlement will be made on the basis provided for under b) above.

## Optional covers: Section 1

The following optional covers are available as an extension under this **Policy**. However, they are:

- i. not included in this **Policy** unless so specified in the **Schedule**;
- ii. subject to the terms, conditions, exclusions and definitions of this **Policy** except where the same are specifically varied by extension or endorsement;
- iii. subject to the separate **Excess** as stated in the **Schedule**.

### 1. Tools Located on the Construction Site

If a **Sum Insured** for this optional cover is shown in the **Schedule**, the **Policy** will indemnify **you** for loss or damage to hand tools that **you** suffer as the result of theft following forcible and violent entry, provided that:

- a) **you** own the hand tools or they are in **your** care, custody or control;
- b) the hand tools are stolen from the **Construction Site**;
- c) the hand tools are stored in a securely locked structure when unattended;
- d) no other policy of insurance provides cover for the hand tools;
- e) **we** will not cover any consequential loss resulting from or in any way connected with loss or damage to hand tools.

Provided also that the amount payable under this optional cover shall not be the **Sum Insured** shown in the **Schedule**.

### 2. Mitigation Expenses

For costs and expenses incurred to contain, mitigate, suppress, save, protect or prevent imminent loss or damage to the **Construction Works**.

Provided that:

- i. the amount payable under this optional cover shall not exceed 10% of the amount payable under this **Policy** for the original loss or damage;
- ii. mitigation methods are not specifically excluded by this **Policy**.

### 3. Existing Property/Structures (excluding contents)

If a **Sum Insured** for this optional cover is shown in the **Schedule**, the **Policy** will apply to the principal's existing permanent building or structure at the **Construction Site**, including Property held in care, custody and control of the Insured.

Provided that:

- i. this Optional cover does not cover loss or damage from any cause to any contents owned by you or in

**your** care custody or control including internal finishes, wall or floor coverings, panels, tiles or lining boards;

- ii. all roof openings are covered by properly secured tarpaulins and all access points are secured by doors, windows or boardings;
- iii. the **Sum Insured** shown for this optional cover in the **Schedule** will be the total **Replacement Value** for Existing Property/ Structures for all damage occurring during the **Period of Insurance** for this extension.

In this extension, **Replacement Value** means the cost of replacement of the **Construction Works** by new property of the same kind and capacity including packing, freight, government charges, and installation costs.

### 4. Transit

If a **Sum Insured** for this extension is shown in the **Schedule**, **we** will extend the cover provided by the **Policy** to indemnify **you** against loss or damage occurring within the **Territorial Limit** to materials and/or components intended for incorporation in the **Construction Works** arising from fire, flood, collision and overturning of the conveyance in which they are being transported or by theft or malicious damage, all of which must occur within Australia during the **Period of Insurance** whilst the item or items are being transported directly to the **Construction Site**.

The Transit Cover will:

- i. begin with the completion of loading in an undamaged condition;
- ii. continue during transit via road, rail, internal waterway or by a licensed airline;
- iii. end with the unloading at the **Construction Site**.

## Conditions applicable to Section 1

### 1. Adequacy of Sums Insured

It is a condition of this **Policy** that **you** must have a nominated **Sums Insured** as stated in the **Schedule** which are not less than:

#### For Schedule Item 1:

The full value of the Construction Works at its completion, consisting of:

- i. all construction costs inclusive of all materials, wages, freight, customs, duties and dues;
- ii. all labour, materials or parts supplied by you or any voluntary workers;
- iii. the market value of all items or services received at a discount; and
- iv. an amount allowing for any future escalation of costs; and

#### For Schedule Item 2:

The full cost of demolishing, clearing and removal of debris if greater than the automatic 10% free cover provided by this **Policy**.

#### For Schedule Item 3:

The full cost of architects', engineers', surveyors', and consultants' fees necessarily incurred by **you** for replacement or repair of the insured items in respect of which we pay a claim under this Section; if greater than the automatic 10% free cover provided by this **Policy**.

### Average

If at the date of loss the **Sum Insured** on the property is less than 85% of the full value of the property, the claim will be reduced in proportion to the difference between 85% of the full value of property and the **Sum Insured**. Provided that this condition will not apply if the amount of damage does not exceed five percent (5%) of the **Sum Insured** for the property. For the purposes of determining the effect of applying Average, Full value means the amount necessary to indemnify **you** within the terms of this **Policy** as described in Condition 1 of this section Adequacy of **Sums Insured**.

### Calculating the effect of Average - Example:

Full Value	85% of value	Sum Insured selected
\$150,000	\$127,500	\$100,000

Therefore, if a \$60,000 loss occurs, we would pay:

$\$100,000 \times \$60,000 = \$47,058.82$

$\$127,500$  We would pay \$47,058.82 (less any **Excess**).

### 3. Production of Accounts

We will not be liable to make any payment under this **Policy** unless **you** have produced to **our** satisfaction all accounts, invoices, receipts and other documentation indicating that repairs have been affected or

replacement has taken place as the case may be.

### 4. Commenced Projects Bushfire Restriction of Cover

Where **Construction Works** have already commenced on the **Construction Site** cover provided by this section of the **Policy** will exclude any loss or damage occurring at the **Construction Site** within seven (7) days of the inception of this **Policy** which is caused by or contributed to by any bushfire, grass fire or scrub fire. Any attempt to fight any bushfire, grass fire or scrub fire is excluded.

### 5. Reinstatement of Sum Insured

Following Loss or Damage which is covered by this section from an **Occurrence** not otherwise excluded, the amount by which the **Sums Insured** or **Limits of Liability** is reduced as a consequence of the loss or damage will be automatically reinstated as from the date of loss provided that:

- i. There is no written request from **you** or written notice by **us** to the contrary;
- ii. The claim has been notified to **us**;
- iii. The average provision does not apply;
- iv. **You** pay the premium **we** require for the reinstatement; and
- v. The loss or damage is not a total loss, whether actual or constructive.

### 6. Territorial Limit:

For all Material Damage covers provided under this section, except optional cover 3 – Transit; the **Territorial Limit** is the **Construction Site**.

For optional cover 3 – Transit cover the **Territorial Limit** is Australia and its external territories excluding any ocean marine transit.

## Exclusions Applicable to Section 1

**Your** policy does not cover loss, **Property Damage**, consequential loss, cost or expense, disablement or liability for, directly or indirectly caused or contributed to by, resulting from or arising out of, or in connection with:

### 1. Consequential Loss

Consequential loss of any kind or description whatsoever, including penalties, losses due to delay, lack of performance, loss of contract.

### 2. Temporary Repairs

Any temporary repairs other than as provided for under Additional Covers 2 Mitigation Expenses, of this section.

### 3. Workmanship

Any fault, defect, error or omission in material or workmanship, but this Exclusion will be limited to the **Construction Works** immediately affected and will not exclude loss of or damage to **Construction Works** properly carried out.

### 4. Gradual Deterioration

Wear and tear, change of colour, wasting away, erosion, abrasion, corrosion, oxidation, or deterioration due to lack of use or atmospheric conditions.

### 5. Breakdown, Malfunction

Mechanical, electrical and/or electronic breakdown or malfunction of contractor's plant, equipment and machinery.

### 6. Vehicles or Contractor's Plant

Vehicles or contractor's plant owned by **you** or in **your** care, custody or control.

### 7. Tools, Plant and Equipment

Any tools, plant and equipment owned by **you** or in **your** care, custody or control

### 8. Insurable Items Not at the Construction Site

Materials and/or components intended for incorporation in the **Construction Works** not at the **Construction Site** and/or whilst in transit unless Transit cover is specially agreed upon and noted on the **Schedule**.

### 9. Testing and Commissioning

The test operation, performance testing, commissioning, test loading, or any other operation of any machinery, equipment or plant the installation of which forms part of the **Construction Works**.

### 10. Action of Vermin, Termites, Moths, or other Insects

Loss or damage caused by the action of vermin, termites, moths, or other insects.

### 11. Upkeep

Normal upkeep or routine making good of the **Construction Works**.

### 12. Mould and Other Micro Organism

Mould, mildew, fungus, spores or other micro organism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This exclusion applies regardless of whether there is:

- i. Any physical loss or damage to insured property;
- ii. Any insured peril or cause, whether or not contributing concurrently or in any sequence;
- iii. Any loss of use, occupancy, or functionality; or
- iv. Any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

### 13. Hoarding, Temporary Buildings, Scaffolding, Formwork, False Work

Any hoarding, temporary buildings, scaffolding, formwork, false work owned by **you** or in **your** care custody or control.

### 14. Legal Liability

Any **Legal Liability** or other covers provided by section 2 from any cause, event or **Occurrence**.

### 15. Dewatering

Any costs associated with the installation and operation of any dewatering equipment or any other costs of dewatering operations.

## Section 2 - Liability

### Cover Details

In consideration of the payment of **Premium** and subject to the terms, definitions, conditions, exclusions and **Limits of Liability** incorporated herein, **we** will pay to or on behalf of **you** all amounts which the Insured shall become legally liable to pay for compensation in respect of:

- a) **Personal Injury;**
- b) **Property Damage**

first occurring during the **Period of Insurance** within the **Territorial Limit** as the result of an **Occurrence** in connection with the **Construction Works** not otherwise excluded and subject to **our** total liability under this **Policy** to indemnify **you** in respect of any one Occurrence not exceeding the **Limit of Liability**. All **Personal Injury** and **Property Damage** consequent upon or attributable to one source or originating cause shall be deemed one **Occurrence**. Any entitlement to

indemnity under this **Policy** for such an **Occurrence** will be determined by reference to the date on which the **Personal Injury** or **Property Damage** from the one source or originating cause first occurred.

### Additional Cover

#### Claim Costs

In addition to the cover provided but subject always to the **Limits of Liability**, **we** will pay:

- a) costs and expenses incurred by **us**, or by **you** with **our** prior written consent, in the investigation, settlement or defence of any claim for compensation for which **you** are entitled to indemnity under this **Policy**; and
- b) legal costs taxed or assessed against **you** in any claim referred to in paragraph (a) and all interest accruing from the entry of judgment against **you** until **we** have paid, tendered or deposited in court such part of the judgment as does not exceed the **Limit of Liability**.

## Conditions Applicable to Section 2

### 1. Owner-Builder Construction works only

Liability is only provided for work undertaken that is solely being conducted for the **Construction Works** at the **Construction Site** that is the subject of this insurance. Any work or other activities performed at the **Construction Site** or within any **Territorial Limits** that is not directly related or is only partially related to the **Construction Works** at the **Construction Site** will be excluded.

### 2. Territorial Limit

Anywhere in Australia or its external Territories.

### 3. Reporting Incidents

You must report all incidents of **Personal Injury** occurring at the **Construction Site** or relating to any cover provided by section 2- Liability that could lead to any future claim.

## Exclusions Applicable to Section 2

Your **Policy** does not cover loss, damage, loss of use, consequential loss, financial loss, cost or expense, disablement or liability for, directly or indirectly caused or contributed to by, resulting from or arising out of, or in connection with:

### 1. Aircraft and Watercraft

- a) the ownership, possession, use, existence, working, navigation, operation, repair, maintenance, servicing, construction or installation by **you** or on **your** behalf of any **Aircraft** or **Watercraft**; or
- b) the use of your completed operations with **your** knowledge in the construction, operation, maintenance, servicing or repair of any **Aircraft** or **Watercraft**.

### 2. Contractual Liabilities

Any contractual liabilities assumed by **you** under any contract or agreement (not being a contract insured) except where the liability would have been implied by law in the absence of the contract or agreement.

### 3. Defamation

The publication of a libel, utterance of a slander or defamation:

- a) first made prior to the **Period of Insurance**; or
- b) made by **you** or with **your** authority, with knowledge of its falsity or defamatory character; or
- c) in any way related to advertising, broadcasting, publishing or telecasting activities conducted by **you** or on **your** behalf, including but not limited to the publication of material on the Internet.

### 4. Employer's Liability

- a) **Personal Injury** to any person employed by **you** or deemed by law to be employed by **you**; or
- b) imposed or implied by or under:
  - i. any workers compensation act or any other similar law, act or ordinance relating to compensation for injury to any person employed by **you** or deemed by law to be employed by **you**; or
  - ii. any industrial award, agreement or determination or any contract of employment or workplace agreement, to the extent that **you** would not have been liable in the absence of that award, agreement, determination or contract; or
  - iii. any law relating to wrongful or unfair dismissal, denial of natural justice, defamation, false or misleading conduct or advertising, misrepresentation, harassment or discrimination in respect of employment by **you**.

### 5. Fines and Penalties

Any fines, penalties or liquidated, aggravated, exemplary, multiple or punitive damages.

### 6. Loss of Use

The loss of use of tangible property (not physically lost, destroyed or damaged) caused by or arising directly or indirectly out of:

- a) delay or lack of performance by **you** or on **your** behalf under any contract or agreement; or
- b) The failure of the **Construction Works** to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by **you**.

### 7. Molestation

The molestation of, or physical or psychological interference with, any person.

### 8. Pollution

- a) the actual, alleged or threatened discharge, dispersal, release, seepage, migration, emission or escape of **Pollutants**; or
- b) the cost of testing, monitoring, containing, removing, nullifying or cleaning up **Pollutants** except liability otherwise excluded under paragraph a) or b) that:
  - i. arises from a sudden identifiable, unintended and unexpected happening, which takes place in its entirety at a specific time and place; and
  - ii. is indemnified in not more than one annual **Period of Insurance**.

### 9. Prior Knowledge

A fault, defect, **Occurrence**, **Personal Injury** or **Property Damage** known, or deemed by law to be known, by **you** prior to the **Period of Insurance**.

### 10. Completed Operations

The **Construction Works** once it has been:

- i. Completed; or
- ii. Put into use; or
- iii. Abandoned prior to completion.

### 11. Voluntary Workers

**Personal Injury** to voluntary workers.

### 12. Unrelated Activities

Any activities including but not limited to the production, distribution, marketing, manufacture, alteration or sale of goods, and or advice provided that relate or are conducted on behalf of any work, business, hobby, sport, pastime or other social or commercial activities.

### 13. Sub-Contractors

Any actions or instructions of any **Sub-contractors** or their employees

### 14. Professional Liability

## Exclusions Applicable to Section 2 Continued

The rendering of or failure to render professional advice or service by **you** or on **your** behalf or an error or omission in connection therewith.

### 15. Property in your Physical or Legal Control any property

- i. owned by or leased or rented to **you**, or
- ii. in **your** physical or legal control.

### 16. Tobacco and Smoking

The inhalation or ingestion of, or exposure to, tobacco or tobacco smoke or any ingredient or additive present in any articles, items or goods which contain or include tobacco.

### 17. Vehicles

The ownership, possession, maintenance, use or control of any **Vehicle**:

- a) which is registered or required to be registered by any legislation or competent authority, except where such liability is caused by:
  - i. **you** or any **Voluntary Worker** loading or unloading any **Vehicle**, or the delivery or collection of goods to or from any **Vehicle** where such **Personal Injury** or **Property Damage** occurs at the **Construction Site**, or
  - ii. the use of any mechanical tool or plant attached to or forming part of any **Vehicle**, whilst the **Vehicle** is being used at the **Construction Site** by **you** or any **Voluntary Worker** and the applicable person using the machine is appropriately licensed and trained; or
- b) where such liability is insured or required to be insured by any legislation or competent authority.

### 18. Faulty Workmanship

**Property Damage** to that part of any property on which **you** are or have been working on where such damage arises from **your** work or the costs of performing, correcting or improving any work undertaken by **you**.

### 19. Communicable Disease

The contraction of or the transmission of any communicable disease through any work related activity and/or any intentional or deliberate action or process which involves the transfer of or the potential transfer or bodily fluids, including but not limited to any sexually transmitted disease.

### 20. Dangerous Goods

The manufacture, storage, filling, breakdown or transportation of:

- fireworks, ammunition, gunpowder, nitro-glycerine, celluloid, pyroxylin or other explosives;
- gases or air under pressure in containers in quantities exceeding 500 litres in total. This exclusion does not

apply to the static risk of service stations;

- asbestos.

### 21. Assault and Battery

**Personal Injury** or **Property Damage** caused by or arising from assault and battery committed by **you** or with **your** knowledge or at your direction unless reasonably necessary for the protection of persons or property .

### 22. Treatment or Dispensing

**Personal Injury** or **Property Damage** caused by:

- The performance of treatment to humans or animal for beautification, cosmetic enhancement or to remedy illness, mental or physical deficiency, disease or injury;
- The prescribing of activities, pharmaceuticals, medical or herbal remedies to improve performance or appearance, or to alleviate pain illness, disease, mental or physical deficiency, disease or injury; or
- Dispensing of drugs, medicines, pharmaceutical supplies or artificial aids

### 23. Damage to Property Owned by You

**Property Damage** to property that you own.

## Claims Procedures

### Important Information

In circumstances that give rise to or may give rise to a claim under this **Policy**:

- a) **You** must notify **us** as soon as possible of all such circumstances and provide all reasonable information and assistance that **we** may require, including details of any other insurance or indemnity to which **you** may be entitled in relation to the **Occurrence** giving rise to the claim;
- b) **You** must not admit liability or settle or attempt to settle any claim without **our** written consent;
- c) **We** may take over and conduct, in **your** name, the defence or settlement of any claim and **we** will have full discretion in the conduct of any proceedings in connection with a claim;
- d) **You** must take all reasonable steps within **your** power to minimise the extent of the loss or damage;
- e) **You** must preserve the parts affected and make them available for inspection by us, **our** employees or agents;
- f) **You** must furnish all such information and documentary evidence as **we** may require; and
- g) In the event of loss or damage caused by theft or burglary, **you** must inform the Police. Nothing contained in this clause or in any other clause of this **Policy** will relieve **you** of any obligation to take such steps as are necessary to ensure that the operations at the **Construction Site** are at all times carried out so as to minimise the risk of any claim being made under this **Policy**.

### Following Notification

Upon notification of any loss or damage being given to **us**, **you** may carry out minor repairs or make good any minor damage, but in all other cases, **you** must give **us**, **our** employees or agents an opportunity to inspect the loss or damage before any repairs or alterations are effected. If no inspection is carried out by **us** or on **our** behalf within a period of time which is reasonable having regard to the location of the risk, weather conditions, and any other relevant factors, **you** may proceed with such repairs or replacement.

### Goods and Services Tax (GST)

When **we** calculate the amount **we** will pay **you**, **we** will have regard to the items below:

- Where **you** are liable to pay an amount for GST in respect of an acquisition relevant to **your** claim (such as services to repair a damaged item insured under the **Policy**) and we agree to pay the claim, we will pay for the GST amount.

All GST amounts are included in the **Limit of Liability** or other limits shown in the **Policy** or in the **Schedule**. Where **we** make a payment under this policy as compensation instead of payment for a relevant

acquisition, **we** will reduce the amount of the payment by the amount of any input tax credit that **you** would have been entitled to had the payment been applied to a relevant acquisition.

**Disclosure – Input Tax Credit Entitlement** If you register, or are registered, for GST **you** are required to tell **us your** entitlement to an input tax credit on **your** premium. If **you** fail to disclose or understate **your** entitlement, **you** may be liable for GST on a claim **We** may pay. This **Policy** does not cover **you** for this GST liability, or for any fine, penalty or charge for which **you** may be liable for due to **your** failure to disclose or a misstatement made by **you** in relation to **your** entitlement to an input tax credit for the premium. “GST”, “input tax credit”, “acquisition”, “supply”, “tax invoice” have the meaning given in the A New Tax System (Goods and Services Tax) Act 1999.

# Product Disclosure Statement and Insurance Policy

**Australian Owner Builders  
Insurance Services Pty Ltd**

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