

Product Disclosure Statement and Insurance Policy

The Owner Builder
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: 30 May 2014 (Ref. CROWN CO 0514)

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 (Calliden) (**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

You may contact **us** by:

Tel: 1300 00 2255

Fax: 1300 662 215

Mail: PO Box 348, Milsons Point NSW 1565

Email: through **our** website www.calliden.com.au

About AOBIS

Australian Owner Builder Insurance Services Pty Ltd (AOBIS) ABN 95 122 431 654, AFS License No. 308705 arranges policies for and on behalf of Calliden. AOBIS acts under a binding authority given to it by the insurer to administer and issue policies, alterations and renewals. In all aspects of arranging this **Policy**, AOBIS acts as an agent for the insurer and not for **you**.

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 Tools, Existing Property Structures, Transit, Mitigation Expenses and After Loss Costs- Lumped cover.

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** covered by this **Policy**. Not all third parties are covered and not all **Personal Injury** and **Property Damage** is covered. However, **we** will not pay more than the **Sums Insured** or the **Limit of Liability** shown in the **Schedule** as applying to Sections 1 and 2 of the **Policy** for all claims arising from the one **Occurrence** excepting where **we** provide otherwise under Additional Cover - Part B. "Escalation Allowance" under **Policy** Section 1.

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.

Part A: Product Disclosure Statement Continued

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** 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

Whether **you** are entering into a **Policy** for the first time or are proposing to renew, vary, extend or reinstate a **Policy**, **you** have a duty of disclosure:

What You Must Tell Us

When answering **our** questions, **you** must be honest and **you** have a duty under law to tell **us** anything known to you, and which a reasonable person in the circumstances, would include in answer to the question. **We** will use the 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** being the **Premium** **you** pay **us** is based on the cover **you** have selected and the information **you** provided to **us** in **your** application for insurance. The **Premium** payable 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.

Your Premium includes GST and other relevant government charges (such as stamp duty) applicable to **your** insurance. These are shown on the **Schedule**. If **you** change **your Policy** in any way **you** may be entitled to a refund of **Premium** or be 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 your Policy at any time. If you choose to cancel your Policy we will retain a portion of Premium which relates to the period for which you have been insured. We will refund the residue for the unexpired period, less any non-refundable government taxes or charges, provided that: <ul style="list-style-type: none"> • no event has occurred where liability arises under the Policy; and • you pay the applicable cancellation fee. For details of your cancellation fee please refer to your Financial Services Guide (FSG), Statement of Advice (SOA) or contact your broker or insurance intermediary directly.
Administration Fee	Your broker or insurance intermediary may charge an administration fee for issuing your Policy documentation, For details of your administration fee please refer to your FSG, SOA or contact your broker or insurance intermediary directly.
Commissions	Your broker or insurance intermediary may receive a commission payment from us when your Policy is issued and renewed. For details of the relevant commission paid, please refer to your FSG, SOA or contact your 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 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.

The **Sums Insured** and/or **Limits of Liability** are in addition to and not reduced by the amount of any **Excess** applicable to the claim.

How to Make a Claim

To make a claim please contact **us** on 1300 880 037 or contact **your** insurance intermediary. For full details on claims procedures please refer to page 22 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.

Privacy

We and AOBIS respect **your** privacy. Any personal information provided by **you** will be treated in accordance with the *Privacy Act 1988* (Cth). This privacy notification provides a summary of how **we** and AOBIS treat **your** personal information.

We and AOBIS collect personal information to assess **your** request for insurance, to administer **your Policy**, settle an insurance claim, provide other insurance services as requested by **you**, and also to notify **you** about other services or promotions from time to time.

If **you** do not provide the information requested **you** may breach **your** Duty of Disclosure, **your** application may not be capable of being accepted, or **your Policy** may not be able to be administered.

In order to provide its insurance services **we** and AOBIS may need to disclose **your** personal information to third parties including, but not limited to: agents, underwriters, advisors and brokers; claims management and other service providers; claims adjusters, loss assessors and other claims investigators; lawyers; reinsurers and reinsurance brokers; and the Financial

Part A: Product Disclosure Statement Continued

Ombudsman Service, or as required by law (for a full list see **our** and AOBIS' Privacy Policies). **We** and AOBIS may disclose **your** personal information (including sensitive information) to overseas reinsurers for the purpose of assessing **your** claim. **We** and AOBIS will only share information with third parties where **we** and AOBIS reasonably believe it is necessary in providing the products and services requested.

Our and AOBIS' Privacy Policies contain information about how to access and correct the personal information about **you** and also how to complain about a breach of privacy. If **you** would like additional information about privacy or would like to obtain a copy of the Privacy Policies, please contact **our** Privacy Officer by:

Tel: 1300 00 2255

Fax: 1300 662 215

Email: privacy@calliden.com.au

Mail: To Privacy Officer, PO Box 348, Milsons Point NSW 1565

You can download a copy of **our** Privacy Policy by visiting www.calliden.com.au/docs/PrivacyPolicy.pdf

You can also download a copy of AOBIS' Privacy Policy by visiting www.aobis.com.au

Dispute Resolution Process

If **you** think **we** have let **you** down in any way, or **our** service is not what **you** expect (even if through one of **our** representatives), please tell **us** so **we** can help. **We** are committed to resolving **your** complaint fairly.

We will address all complaints, except where specific circumstances apply, in accordance with **our** 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.

If **you** have a complaint:

Step 1: Contact us

You can contact **us** by:

Tel: 1300 00 2255

Fax: 1300 662 215

Email: servicefeedback@calliden.com.au

Mail: PO Box 348, Milsons Point, NSW 1565.

- If **we** can't resolve **your** complaint immediately, **we** will commit to responding to **your** complaint within 15 business days of first being notified of the complaint.
- If **we** need more information or more time to respond properly to **your** complaint **we** will contact **you** to agree an appropriate timeframe to respond.

Step 2: Internal Dispute Resolution (IDR)

- If **you** are not happy with **our** response, please tell **us** in writing. **You** may escalate it as a dispute

and **our** Internal Dispute Resolution panel (the panel) will review the matter. The panel will be independent of the person who initially considered **your** complaint.

- The Disputes Resolution Officer will acknowledge **your** dispute in writing within 2 business days of receipt and will investigate all details of **your** dispute and will provide **you** with a written response of the outcome within 15 business days of first being notified of **your** dispute.
- In some cases **we** may be unable to reach a conclusion within this timeframe, and may request a later response date. If this occurs, **we** will keep **you** informed of progress of the dispute no less than once every 10 days.

Step 3: External Dispute Resolution scheme

Should **we** be unable to resolve **your** complaint (including the IDR process referred to above) within 45 days or **you** are not happy with **our** response/handling of **your** complaint at any given time, **you** can seek an external review via **our** external dispute resolution scheme, administered by the Financial Ombudsman Service Limited (FOS).

This is an independent national body and its services are free to **you**. As a member **we** agree to accept the FOS' decision.

You can contact the FOS by:

Mail: Financial Ombudsman Service Ltd,

GPO Box 3, Melbourne, Victoria 3001;

Tel: 1300 78 08 08;

Fax: +61 3 9613 6399;

Website: www.fos.org.au

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). 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

Financial Claims Scheme

In the event of the insolvency of Calliden, **you** may be entitled to payment under the Financial Claims Scheme. Access to the scheme is subject to eligibility criteria. Information about the scheme can be obtained from the APRA website at www.apra.gov.au and the APRA hotline on 1300 55 88 49.

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 or Hovercraft

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**, anywhere in Australia and its external territories, 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** within the **Territorial Limits** as defined, 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 except the work thereon specified in the **Scope of Works** for those projects involving alterations and/or additions to an existing property;
- 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** including Principal supplied items being the

cost of their reinstatement by an independent building contractor, including professional and permit fees and allowance for builder's margin and profit.

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**.

Flood

The covering of normally dry land by water that has escaped or been released from the normal confines of:

- i. any lake, or any river, creek or other natural watercourse, whether or not altered or modified; or
- ii. any reservoir, canal, or dam.

Limit of Liability

The amount(s) specified as such in the **Schedule** which is the most **we** will pay under Section 2 for all claims resulting from any one **Occurrence**.

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

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, disability or loss of consortium;
- ii. unlawful arrest, wrongful detention, false imprisonment or humiliation;
- iii. wrongful entry or eviction or other invasion of privacy;
- iv. assault and battery not committed by **you** or at **your** direction unless reasonably committed for the purpose of preventing or eliminating danger to persons or property; or
- v. 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 certificate issued by **us** which forms part of **your Policy** and shows **your Policy** number, the **Premium**, the cover selected by **you**, and any special provisions, limits or endorsements.

Scope of Works

The details of the work required to be performed to a designated plan and specification designed to achieve a completed structure built to an acceptable quality or standard.

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 amount(s) specified as such in the **Schedule** representing the most **we** will pay under Section 1 for each item of cover in respect of any one **Occurrence**, excepting where **we** provide otherwise under Additional Cover - Part B. "Escalation Allowance".

Territorial Limit

The **Construction Site** specified in the **Schedule** and surrounding adjacent areas that may be involved or affected by the performance of the **Construction Works**.

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.

Total Sum Insured

The total of all of the **Sums Insured** shown in the **Schedule** applicable to Section 1 of the **Policy** plus any allowance under Additional cover – Part B 'Escalation' is the maximum amount **we** will pay for all claims for insured loss or damage under Section 1 arising from the one event.

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, hovercraft or watercraft**.

General Definitions Continued

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

The following conditions are applicable to all **Policy** sections.

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 i. above **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:

- i. **You** at any time notifying **us** in writing, in which case cancellation takes place when **we** receive the notice; and
- ii. **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 **Period of Insurance**, no return premium shall be allowed for the unexpired portion of the **Period of Insurance**.

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, volcanic eruption, subterranean fire, bushfire 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**.

21. Failure To Pay Your Insurance Premium

It is a condition of this contract of insurance that **you** pay the insurance **Premium** and **we** may take steps to cancel **your** contract of insurance for non-payment of the insurance **Premium**.

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

- i. 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;
- ii. 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

- i. 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;
- ii. Any **Terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss;
- iii. Any action in controlling, preventing, suppressing, retaliating against, or responding to **Terrorism**; or
- iv. 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

- i. Injury arising, directly or indirectly, out of inhalation of, or fears of the consequences of exposure to or inhalation of, asbestos, asbestos fibres or any derivatives of asbestos;
- ii. That part of any loss, cost or expense for the cost of cleaning up, or removal of, or damage to, or loss of use of, property arising out of any asbestos, asbestos fibres or any derivatives of asbestos.

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 or Hovercraft

Watercraft, Hovercraft or Aircraft owned by **you**.

General Exclusions Continued

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

- i. Dishonest, fraudulent, criminal or malicious conduct; or
- ii. Wilful breach of statute; or
- iii. 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. Wet Construction

Any Wet Construction.

19. 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.

20. Civil Work

Any **Civil Work** of any kind.

Section 1–Material Damage

Cover

In consideration of the payment of **Premium** and subject to the terms, definitions conditions, exclusions and **Sum(s) Insured** shown in the **Schedule**, **we** agree to indemnify **you** for accidental loss or damage to **your** property forming part of the **Construction Works** happening as a result of an **Occurrence** not otherwise excluded by the terms of this **Policy**.

Specific Definition–Section 1

You/Your

For the purposes of Section 1 – Material Damage only, **You/Your** shall also include as a Joint Insured any contractor or sub-contractor engaged by **You** to perform all or part of the **Construction Works**.

Additional Cover–Part A

Where **we** pay out a claim under Section 1 – Material Damage, then provided **we** do not pay more than the **Construction Works Sum Insured** plus any allowance for any increase provided under Additional Cover Part B – Escalation Allowance, **we** will pay for the following costs that are incurred as a result of an **Occurrence**.

1. Removal of Debris

The reasonable costs incurred by **you** for:

- i. the demolition and removal of property which is damaged;
- ii. the demolition of property that is necessary to allow the restoration of the **Property Damage** to proceed; and
- iii. the removal and disposal of all debris from the **Construction Site** and/or adjoining roadways, waterways or premises of others including the costs of cleaning to enable the reinstatement of the **Construction Works** to proceed:

2. Make Safe Works and Temporary Protection

The necessary costs and expenses incurred by **you** for make safe works at the site and for the temporary protection of property.

3. Professional Fees

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 under this **Policy**; or
- ii. exceed those recommended or authorised under the scales of the various institutions relating to the type of such professional service.

4. Expediting Expenses

The costs of express delivery within Australia, the hire of

additional equipment and the cost of purchasing resources necessary to reinstate, repair or replace insured property of the **Construction Works**.

Express delivery will include carriage by airfreight within Australia but not by aircraft operating under charter arranged by **you** or by others on **your** behalf.

Additional Cover–Part B

Where **we** pay out a claim under Section 1 – Material Damage, **we** will pay for the following costs in addition to the **Construction Works Sum Insured**, incurred in the restoration or replacement of the Construction Works as a result of an **Occurrence**.

1. 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 15% of the **Construction Works Sum Insured** originally stated in the **Schedule**, unless expressly agreed in writing by **us**.

Basis of Settlement

The basis of settlement under Section 1 – Material Damage including Optional covers 1 – Tools, 3 - Existing Property/Structures and 4 – Transit when selected for cover will be as follows:

1. Construction Works

The cost necessary to repair and reinstate loss or damage to the affected parts of the **Construction Works** to their condition immediately prior to the **Occurrence**.

2. Existing Structures

The costs necessary to reinstate the affected Existing Structure to a condition no better or more extensive than when new including any costs to comply with the requirements of any lawful authority imposed after the damage which were not subject to an order prior to the **Occurrence**.

3. Tools and Equipment located at the Construction Site

The costs necessary to repair or replace tools and equipment owned by **you** or to indemnify **you** for **your** legal liability to pay compensation for loss or damage to tools and equipment not owned by **you**, for which **you** are responsible, but not exceeding the value thereof.

Provided always that:

- i. excepting for any agreed increase in the **Construction Works Sum Insured** as provided under Additional Cover – Part B. – ‘Escalation Allowance’, we will not pay more than the Sum(s) Insured specified in the Schedule for any item of cover;
- ii. the value of any salvage material or equipment shall be taken into account in determining the amount of any claim;

Optional Covers–Section 1

- iii. the excesses specified in the **Schedule** shall apply to all losses arising from the one **event**;
- iv. Policy Condition – Average shall apply to claims in respect of loss or damage to **Construction Works** and/or Optional Cover 3 - Existing Structures;
- v. all damage which can be repaired must be repaired unless the cost exceeds the value of a replacement item or any lesser amount payable under the Basis of Settlement for the item.

Optional Cover–Section 1

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:

- i. **you** own the hand tools or they are in **your** care, custody or control;
- ii. the hand tools are stolen from the **Construction Site**;
- iii. the hand tools are stored in a securely locked structure when unattended;
- iv. no other policy of insurance provides cover for the hand tools;
- v. **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 exceed 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. this Optional Cover does not cover loss or damage to contents owned by **you** or in **your** care, custody or control contained in **your** Existing Property/Structures or elsewhere at the **Construction Site**
- 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 contained in **your**

Existing Property/Structures or elsewhere at the **Construction Site**.

- 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.
- iv. Claims under this Optional cover shall be subject to the Condition of Average applicable to Section 1.

In this extension, **Replacement Value** means the cost of replacement of the Existing Property/Structures to a condition no better or more extensive than when new.

The Condition of Average applicable to Section 1 shall apply to this Optional cover.

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**.

5. After Loss Costs – Lumped Cover Extension

If a **Sum Insured** for this extension is shown in the **Schedule**, **we** will extend the cover provided by the **Policy** to also indemnify **you** against the following increased costs and expenses, incurred with **our** consent, for which **you** are not otherwise insured by any Insurer, arising directly in consequence of **Property Damage** to the **Construction Works** and/or Existing Property' when selected as Optional cover under Policy Section 1:

- i. **Removal Costs** – the removal expenses incurred by **you** to temporarily relocate to another place of residence if **you** live in the property at the **Construction Site** but are unable to continue doing so because of the **Property Damage**.

Optional Covers—Section 1 Continued

- ii. **Additional Temporary Accommodation Expenses** – the following costs and expenses if **you live** in the property at the **Construction Site** but are unable to continue doing so because of the **Property Damage**:
- a) Increased living expenses incurred by **you**, for necessary emergency accommodation for **you** and **your** family for an immediate period not exceeding 14 days following the **Occurrence** of the **Property Damage**.
 - b) The cost of renting an alternative property, of a similar standard, to accommodate **you** and **your** family for the remainder period while repairs to the property **you** lived in are being carried out but no longer than:
 - a period of 12 months, or
 - the time reasonably necessary to repair or reinstate the **Property Damage** to the property **you** lived in, to a condition fit for habitation.

whichever shall first apply.

- iii. **Alternative Temporary Accommodation Expenses for Pets** – boarding expenses incurred by **you** up to \$1,000 to accommodate **your** pets elsewhere when **you** live in the property at the **Construction Site** but are unable to continue doing so because of the **Property Damage**.
- iv. **Extra Cost of Reinstatement** – means the additional costs incurred by **you** to reinstate **Property Damage** to property insured by this **Policy** in complying with the requirements of any lawful authority imposed after the **Property Damage**. However **we** will not pay for any costs of compliance that were subject of orders prior to the **Property Damage** occurring.

We will not pay more in the aggregate under this Optional cover for items i. to iv. inclusive above during any **Period of Insurance** than the **Sum Insured** shown in the **Schedule** for this item.

Conditions–Section 1

Conditions–Section 1

The following conditions are applicable to Section 1 - Material Damage:

1. Adequacy of Sums Insured

The nominated **Sums Insured** shown in the **Policy Schedule** must be calculated in accordance with the Basis of Settlement provisions of the **Policy** otherwise Condition 2- 'Average' may apply.

For the **Construction Works Sum Insured** and Existing Property/Structures when insured, this means that the Nominated **Sum Insured** must represent the full cost of their reinstatement by an independent building contractor, including professional and permit fees and allowance for builder's margin and profit plus the full replacement value of Principal supplied items.

2. Average

If there is a claim for Property Damage at the **Construction Site** that exceeds 10% of the **Construction Works Sum Insured** or 10% of the **Sum Insured** for Existing Property/Structures, **we** will pay that proportion of any claim calculated separately for each item, that the **Sum Insured** thereon bears to 85% of the cost of their reinstatement or replacement calculated at the commencement date of the **Period of Insurance** in accordance with the Basis of Settlement provisions of the **Policy**.

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:

$$\frac{\$100,000 \times \$60,000}{\$127,500} = \$47,058.82$$

\$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. Bushfire & Named Cyclone Delay of Cover

We will not be liable for any claim caused by or arising from or in connection with any loss or damage occurring within a period of seven days from the original inception of **your Policy** caused or contributed to by:

- i. any bushfire or grass fire or scrub fire; or
- ii. any attempt to fight any bushfire or grass fire or scrub fire; or
- iii. a Named Cyclone.

However, **we** will cover **you** within that period for the events defined in i) to iii) inclusive above if immediately prior to commencing this **Policy**, another policy covering the same risk expired, without a break in cover.

5. Bushfire and Named Cyclone Increased Sum Insured

We will not be liable for any claim caused by or arising from or in connection with any loss or damage arising in respect of **your** increased **Sum Insured** where **you** have requested an increase in **your Sum Insured** which **you** have obtained within:

- i. a period of two days from the effective date of cover which increases the **Sum Insured** under **your Policy** as a consequence of or caused by or contributed to by:
 - a) any bushfire or grass fire or scrub fire; or
 - b) any attempt to fight any bushfire or grass fire or scrub fire; or
- ii. a period of seven days from the effective date of cover which increases the **Sum Insured** under **your Policy** as a consequence of or caused by or contributed to by a Named Cyclone.

6. 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.

7. Territorial Limit:

For all Material Damage covers provided under this section, except optional cover 4 – Transit; the **Territorial Limit** is the **Construction Site**.

For optional cover 4 – Transit cover the Territorial Limit is Australia and its external territories excluding any ocean marine transit.

Exclusions–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 Cover - Part A `Make Safe Works and Temporary Protection and Optional cover 2 - `Mitigation Expenses`, of this section, unless **we** agree otherwise in writing.

3. Defective Design, Plan, Specification, Materials or Workmanship

Any fault, defect, error or omission in design, plan, specification, materials or workmanship. Provided that **we** will pay the cost of **Property Damage** to the **Construction Works** resulting directly from such fault, defect, error or omission, less the cost which would have been incurred in repairing, replacing, or rectifying such fault, defect, error or omission, immediately prior to the **Occurrence**.

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

Testing involving intentional overloading or operation in excess of the design specifications of any equipment.

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

In consideration of the payment of the **Premium** and subject to the terms, definitions, conditions, exclusions and limitations of the **Policy**, **we** will pay to **you** or on **your** behalf, all amounts which **you** are legally liable to pay for compensation in respect of:

- a. **Personal Injury; or**
- b. **Property Damage**

occurring during the **Period of Insurance** within the **Territorial Limits** as a result of an **Occurrence** in connection with the **Construction Works**.

Provided that our maximum liability in respect of any claim or any series of claims for **Personal Injury** or **Property Damage** in respect of any one **Occurrence** will not exceed the **Limit of Liability** specified in **Your Policy Schedule**.

The applicable **Limit of Liability** will not be reduced by the amount of and **Excess** paid by **you**.

Additional Cover

Claim Costs

We will also pay the following claim costs providing the **Limit of Liability** is not exceeded:

- i. 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** including **your** representation at any coronial hearing or official inquiry; and
- ii. 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–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–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, Hovercraft and Watercraft

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

- i. first made prior to the **Period of Insurance**; or
- ii. made by **you** or with **your** authority, with knowledge of its falsity or defamatory character; or
- iii. 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

- i. **Personal Injury** to any person employed by **you** or deemed by law to be employed by **you**; or
- ii. imposed or implied by or under:
 - a) 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
 - b) 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
 - c) 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:

- i. delay or lack of performance by **you** or on **your** behalf under any contract or agreement; or
- ii. 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

- i. the actual, alleged or threatened discharge, dispersal, release, seepage, migration, emission or escape of **Pollutants**; or
- ii. the cost of testing, monitoring, containing, removing, nullifying or cleaning up **Pollutants**;

Except liability otherwise excluded under paragraph i. or ii. above that:

- a) arises from a sudden identifiable, unintended and unexpected happening, which takes place in its entirety at a specific time and place; and
- b) 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**:

- i. following completion; or
- ii. in respect of any separable portions thereof, from the time they are occupied for their intended purpose; or
- iii. if abandoned prior to completion, from the time when this occurs or the expiry of the **Period of Insurance** whichever shall first happen.

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

Claims for which any **Sub-Contractor** is legally liable, however **we** will indemnify **you** for:

Exclusions–Section 2 Continued

- i. Claim Costs in defence of any claim where **you** are joined to any action;
- ii. any legal liability for **Personal Injury** or **Property Damage** for which **you** are vicariously liable and not entitled to indemnity under any policy of insurance arranged by the **Sub-Contractor** which arises from the negligence of a **Sub-Contractor** in the performance of the **Construction Works**.

14. Professional Liability

The rendering of professional advice or services by **you** and any 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**:

- i. which is registered or required to be registered by any legislation or competent authority or;
- ii. where such liability is insured or required to be insured by any legislation or competent authority.

Provided that Exclusions 17i. and 17ii. above do not apply to claims:

- a) for **Personal Injury** where the compulsory liability insurance or statutory cover does not provide indemnity and the reason for this does not involve a breach by **you** of legislation relating to **Vehicles**; or
- b) arising out of and during the loading or unloading of goods to or from any **Vehicle**; or
- c) caused by or arising from the operation at the **Construction Site** of any mechanical tool or item of plant attached to or forming part of any **Vehicle** by **you** or on **your** behalf.

18. Faulty Workmanship

The cost of re-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 of bodily fluids, including but not limited to any sexually transmitted disease.

20. Dangerous Goods

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

- i. fireworks, ammunition, gunpowder, nitro-glycerine, celluloid, pyroxylin or other explosives;
- ii. 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;
- iii. 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. Family Members or Persons Living with You

Personal Injury or **Property Damage** suffered by **you** or any member of **your** family who normally lives with **you**, or any other person who normally lives with **you**.

Claims Procedures

Important Information

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

- i. **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;
- ii. **You** must not admit liability or settle or attempt to settle any claim without **our** written consent;
- iii. **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;
- iv. **You** must take all reasonable steps within **your** power to minimise the extent of the loss or damage;
- v. **You** must preserve the parts affected and make them available for inspection by us, **our** employees or agents;
- vi. **You** must furnish all such information and documentary evidence as **we** may require; and
- vii. 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**

Level 1 261 High Street,
Ashburton VIC 3147

Phone: 1300 850 131

Email: underwriter@aobis.com.au

Website: www.aobis.com.au

ABN 95 122 431 654 (AFSL 308705)



Product issued by

Calliden Insurance Limited

Level 7, 100 Arthur Street

North Sydney NSW 2060 Australia

Tel: 1300 00 2255

Fax: 1300 662 215

www.calliden.com.au

ABN 47 004 125 268 AFSL 234438

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