



Residential Construction Warranty Insurance

Job Specific Owner Policy
ACT



Important Notices

The policy is made up of this policy wording, any endorsements and the certificate of insurance. You should read those documents together, to tell you what we cover, what we exclude, what we pay to settle claims and other important information.

Please note that you have obligations under the policy with which you must comply, otherwise we may not have to pay your claim(s).

Renewal

The policy will not be renewed and is not of a kind that it is usual to renew.

Duty of Disclosure

Before you enter into a contract of general insurance with an insurer, you have a duty, under the *Insurance Contracts Act 1984*, to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of insurance and, if so, on what terms.

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of any matter:

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

Non-disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce its liability under the contract in respect of a claim or may cancel the contract.

If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

Limitation or Exclusion of Rights Against Third Parties

You must not limit or exclude your rights against a party from whom you might otherwise be able to recover in respect of loss or damage. If you do, our liability to you is reduced to the extent that we can no longer recover from that other party as a result of the limitation or exclusion by you.

Interested Parties

The cover provided by this policy does not extend to an interest in the residential building that is not your interest. We will not be liable under this policy to anybody except you.

Privacy Statement

The Privacy Act 1988 (Cth) (as amended) now applies and requires us to inform you that:

Purpose of Collection

We collect personal information (*this is information or an opinion about an individual whose identity is apparent or can reasonably be ascertained and which relates to a natural living person*) from or about you for the purposes of:

- ▼ providing insurance services to you;
- ▼ evaluating the project application by the builder;
- ▼ evaluating any request for amendment to any insurance provided;
- ▼ issuing, administering and managing the insurance provided following acceptance of a project application; and
- ▼ investigating and if covered, managing claims made in relation to any insurance you have with us or other companies within the Promina group.

The personal information collected can be used or disclosed by us for a secondary purpose related to those purposes listed above, but only if you would reasonably expect us to use or disclose the information for this secondary purpose.

However for sensitive information, the secondary purpose must be directly related to the purposes listed above.

The personal information collected can be used or disclosed by us as required by any relevant home building insurance legislation.

Disclosure

When necessary and in connection with the purposes listed above, we may disclose your personal information to, and/or receive some personal information from:

- ▼ other companies within the Promina group;
- ▼ your insurance intermediary or our agent;
- ▼ Government bodies, loss assessors, claims investigators, reinsurers;
- ▼ other insurance companies, mailing houses, claims reference providers, legal and other professional advisers;
- ▼ other service providers, hospitals, medical and health professionals.

Consequences if Information is not Provided

If you do not provide us with the information we need we will be unable to administer your policy or manage any claim under your policy.

Access

You can request access to the personal information we hold about you by contacting us at Vero Insurance Limited, 465 Victoria Avenue, Chatswood, NSW 2067.

In some circumstances we may not agree to allow you access to some or all of the personal information we hold such as when it is unlawful to give it to you. In such cases we will give you reasons for our decision.

Privacy Statement issued

Vero Insurance Limited, 465 Victoria Avenue, Chatswood, NSW 2067.

Other Offers

We would like to use your personal information to keep you up to date with the range of other products and services available from us or other members of the Promina group. We may give your personal information to our agent or your broker to enable us to send you this information. Please contact us if you do not want us to do this.

Goods and Services Tax

This policy has a provision concerning GST on premium and claims.

1. Definitions

In the **policy**:

You/your means:

- (a) the person on whose behalf the **work** is carried out or is to be carried out, and any successor in title to that person, or
- (b) if the **builder** carries out the work on the **builder's** own land, the **builder's** successors in title.

We/our/us means Vero Insurance Limited
ABN 48 005 297 807.

Act means the *Building Act 2004*.

Builder is the builder described in the **project application** provided the builder is a builder under the **Act**.

Completion day has the same meaning as it does under the **Act**.

Contract means the contract (if any) between you and the **builder** pursuant to which the **work** is carried out or is to be carried out.

Cost, in relation to the **work**, has the same meaning as it does under the **Act**.

Disappearance means cannot be found after due search and inquiry.

Developer has the same meaning as it does under the **Act**.

Insolvency (and its corresponding forms) has the same meaning as it does under the **Act**.

Non-structural element has the same meaning as it does under the **Regulations**.

Policy means this policy wording, any endorsements and the certificate of insurance.

Project application means the application form completed by you or the **builder** applying for this insurance.

Regulations means the *Building Regulations 2004*.

Residential building means the building described in the **project application** provided it is a residential building under the **Act**.

Residential building work has the same meaning as it does under the **Act**.

Statutory warranty has the same meaning as it does under the **Act**.

Structural element has the same meaning as it does under the **Regulations**.

Subsidence means heaving, subsidence and/or settlement of the soil on which the **residential building** is constructed.

Transportable house means a transportable or demountable house or 'kit' home or any house which can be dismantled, moved and re-assembled or any house which is (or major components of which are) substantially pre-fabricated off-site.

Work means the **residential building work** which is to be carried out by the **builder** to the **residential building** under the **contract**.

A reference to any legislation is a reference to the legislation as amended from time to time.

2. The Policy

This **policy** is subject to the law of the Australian Capital Territory. The law of the Australian Capital Territory includes Commonwealth legislation such as the *Insurance Contracts Act 1984*. Any rights to refuse to pay a claim are subject to section 54 of that Act.

This **policy** is intended to comply with the requirements set out under the **Act** and any term of this **policy** which conflicts with, or is inconsistent with, the **Act** shall be read and be enforceable as if it complies with the **Act**.

3. What's Covered

3.1 When We Will Pay

Subject to the terms of this **policy**, including the exclusions, we will pay you if, because of the **insolvency**, death or **disappearance** of the **builder**, you suffer:

- (a) loss or damage resulting from a breach of a **statutory warranty** by the **builder**;
- (b) loss or damage as a result of being unable to enforce or recover under the **contract**;
- (c) loss or damage resulting from **subsidence** of the land because of the **builder's** negligence.

3.2 What We Will Pay

We will either make good or pay the amount of that loss or damage (at our option), subject to the following limitations:

- (a) We are not liable for the first \$500 of each claim.
- (b) We will not pay more than \$85,000 or the **cost** of the **work** (whichever is less) in the aggregate for all claims in relation to the **work**.

3.3 What We Exclude

We will not pay:

- (a) if the **cost** of the **work** is less than \$12,000;
- (b) if you are the **builder**;
- (c) if you are a **developer** in respect of the **work**;
- (d) if you were licensed under the *Building Act 1972* or the *Construction Occupations (Licensing) Act 2004* as an owner-builder in respect of the **work**;
- (e) any claim in relation to loss in respect of any paving, fence, retaining wall, outdoor swimming pool, outdoor ornamental pond, mast, antenna, aerial, advertising device, notice or sign;
- (f) in respect of a claim arising from non-completion of the **work** due to the **insolvency** of the **builder**, any amount paid by you to the **builder** for the **work** which exceeds the **cost** of the **work** done. However, if you have paid a deposit on the **work**, and the **cost** of the **work** done is less than the deposit, we will pay you the lesser of:
 - (i) the amount of the deposit less the **cost** of the **work** done; or
 - (ii) \$10,000 (or such other amount as may be prescribed from time to time) less the **cost** of the **work** done;
- (g) any claim relating to a **transportable house** arising before:

- (i) property in the house has passed to you; and
- (ii) the **transportable house** has been affixed to the land at the address given in the **project application**.

The cover provided by this **policy** does not extend to an interest in the **residential building** that is not your interest. We will not be liable under this **policy** to anybody except you.

4. When Cover Becomes Effective

Even though you or another person who applies for this insurance may be required to pay the premium (and associated statutory charges) when lodging a **project application**, we may refuse to accept the **project application**. The **work** is not covered until we have provided to you or that other person a certificate of insurance evidencing insurance for the **work**.

5. How Long We Cover You For

- (a) If your claim is for loss or damage resulting from a breach of **statutory warranty** in relation to:
 - (i) a **structural element** of the **work**, this **policy** provides cover for 6 years;
 - (ii) a **non-structural element** of the **work**, this **policy** provides cover for 2 years;
- (b) subject to clause 5(a) above, if the **builder** if not the owner of the land on which the **work** is to be carried out, this **policy** provides cover in respect of the **work** for the period:
 - (i) beginning on the day when the certifier for the **work** issues a building commencement notice under section 37 of the **Act** for the **work**; and
 - (ii) ending at the end of 5 years after the day a certificate of occupancy is issued for the **work**;
- (c) subject to clause 5(a) above, if the **builder** is the owner of the land on which the **work** is to be carried out, this **policy** provides cover in respect of the **work** for the period:

- (i) beginning on the date on which title is transferred to you; and
- (ii) ending 5 years after the date on which a certificate of occupancy under the **Act** was issued for the **work**.

6. When You Must Make a Claim

We do not have to pay any claim if you fail to make a claim within 90 days of you first becoming aware of the existence of grounds for the claim.

7. Non-disclosure or Misrepresentation

We are not entitled to avoid liability under this **policy** for failure to comply with the duty of disclosure or misrepresentation by the **builder**.

We may, however, recover from the **builder** any amount we would not otherwise have paid in those circumstances.

You must comply with your obligations under the **policy**, otherwise we may not have to pay your claim(s).

8. Subrogation

If we pay a claim, we are entitled to be subrogated to your rights against any party in relation to the claim to the extent of the amount paid by us.

You must not limit or exclude your rights against a party from whom you might otherwise be able to recover in respect of loss or damage. If you do, our liability to you is reduced to the extent that we can no longer recover from that other party as a result of the limitation or exclusion by you.

9. Other Terms

You must use our claim form to make a claim.

You must give us any assistance, information or documents which we request. This includes giving us, our nominated builder and your builder,

reasonable access to inspect, rectify or complete the **work** (unless you have reasonable grounds to refuse access).

You must not make any admissions, offer, promise or payment in connection with any claim.

You must comply with your obligations under the **policy**, otherwise we may not have to pay your claim(s).

10. Goods and Services Tax

In addition to the **policy** premium, we will charge an amount on account of GST.

Despite the other provisions of this insurance (including provisions in the wordings, any schedules and any endorsement), our liability to you will be calculated taking into account any input tax credit to which you are entitled for any acquisition which is relevant to your claim, or to which you would have been entitled were you to have made a relevant acquisition.

If your sum insured or policy limit is not sufficient to cover your loss, we will only pay GST (less any relevant input tax credit) that relates to our proportion of your loss. We will pay that GST amount in addition to your sum insured or policy limit.

'GST', 'input tax credit', 'acquisition' and 'supply' have the meaning given under the *A New Tax System (Goods and Services Tax) Act 1999*.

Vero Insurance Limited contact details:

If your property is in New South Wales or ACT:

Vero Warranty

Locked Bag 9000

Chatswood NSW 2067

If your property is in Victoria, South Australia,
Western Australia or Tasmania:

Vero Warranty

PO Box 294

Collins Street West

Melbourne VIC 8007

Insured by:
Vero Insurance Limited
ABN 48 005 297 807

V4700 PB 06/05
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