



QBE Insurance (Australia) Limited

# Home Indemnity Insurance Residential Builder

Home Indemnity Insurance Policy WA

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In an uncertain world, it's good to know there's someone committed to protecting you. In this booklet you'll find our commitment described in detail. By taking the time to read these pages you'll know exactly what you're covered for, what you can expect from us and what we expect of you.

You'll also learn what to do if you need to make a claim, so we promise it'll be time well spent.

## About this booklet

This document contains important information to help you understand the insurance.

## For more information

Please take the time to read through this booklet and if you have any questions, need more information or to confirm a transaction, please contact us on 1300 790 723.

## About QBE Australia

QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545 is a member of the QBE Insurance Group Limited ABN 28 008 485 014 (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the largest insurers and reinsurers in the world.

## Important Information

The information provided in this section includes high level information about this Policy including our dispute resolution process and other relevant information.

The Policy Wording section sets out the detailed terms, conditions and exclusions relating to the insurance.

If the builder purchases a policy for your building contract, you will be given a Certificate of Insurance. The Certificate of Insurance sets out the specific terms applicable to your cover and should be read together with the Policy Wording.

The Policy Wording and Certificate of Insurance form the basis of your cover with us so please keep them in a safe place for future reference. You should check the Certificate of Insurance, when you receive it to ensure it accurately reflects the building works being performed.

You should check the information listed on the Certificate of Insurance against your building contract as follows

- Is the builder's name correct and does it match the builder's name on the contract?
- Does the ABN / ACN on the Certificate of Insurance match your contract?
- Is the 'declared contract price' on the Certificate the same as the price listed on your contract?

## Privacy

We'll collect personal information when you deal with us, our agents, other companies in the QBE group or suppliers acting on our behalf. We use your personal information so we can do business with you, which includes issuing and administering our products and services and processing claims. Sometimes we might send your personal information overseas. The locations we send it to can vary but include the Philippines, India, Ireland, the UK, the US, China and countries within the European Union.

Our Privacy Policy describes in detail where and from whom we collect personal information, as well as where we store it and the full list of ways we could use it. To get a free copy of it please visit [qbe.com.au/privacy](http://qbe.com.au/privacy) or contact QBE Customer Care.

It's up to you to decide whether to give us your personal information, but without it we might not be able to do business with you, including not paying your claim.

## The General Insurance Code of Practice

QBE Australia is a signatory to the General Insurance Code of Practice.

The Code aims to:

- Commit us to high standards of service
- Promote better, more informed relations between us and you
- Maintain and promote trust and confidence in the general insurance industry
- Provide fair and effective mechanisms for the resolution of complaints and disputes between us and you
- Promote continuous improvement of the general insurance industry through education and training.

## Policy Wording

This Policy is underwritten by QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545.

### Our agreement with the builder

This Policy is a legal contract between the builder, acting on your behalf, and us. The builder pays us the premium on your behalf and we provide you with the cover described in this Policy.

### The Policy

This Policy consists of the Policy Wording in this booklet and the Certificate of Insurance.

### Paying the premium

The builder must pay the premium on your behalf by the due date.

### Words with special meaning

The words and terms used throughout this Policy have special meanings set out below.

Where other words and terms are only used in one section of the Policy, we'll describe their special meaning in that section.

Word or Term	Meaning
Act	the Home Building Contracts Act 1991 and the Home Building Contracts Regulations 1992. The regulations when referred to separately are referred to as the regulations.
Associated work	includes site works, swimming pools, spas, pergolas, carports, garages, sheds, fencing, retaining walls, paving, driveways, landscaping and other like works.
Builder	The builder registered under the Building Services (Registration) Act 2011 and named in the certificate of insurance as the builder.  For the purposes of the cover we give in clause 1 – 'What is covered by this policy', builder includes any person contracted by the builder to perform the work.
Building	The dwelling(s) described in the certificate of insurance.
Building contract	The residential building contract between you or a developer and the builder pursuant to which residential building work is done or is to be done in connection with the building.
Certificate of insurance	The certificate that we produce includes important information and details about this Policy. The certificate of insurance will be evidence that we have accepted cover under this Policy.
Completion (of the work)	The time where the work is completed except for any omissions or defects which do not prevent the work from being reasonably capable of being used for its intended purpose.

Word or Term	Meaning
Construct	In relation to a dwelling means perform any work commencing with the preparation of the site and ending with the completion of the dwelling (including any associated work) and includes: <ul style="list-style-type: none"> <li>(a) painting where that is part of the work included in a contract; and</li> <li>(b) the provision of lighting, heating, water supply, drainage, sewerage, gas and other like services.</li> </ul>
Cost of the work	<ul style="list-style-type: none"> <li>(a) in the case of work performed under a building contract, the amount payable under the building contract.</li> <li>(b) in the case of work not performed under a building contract, the estimated value of building work specified in the application for a building licence as per schedule 1 and 2 of the Building Regulation 2012.</li> <li>(c) in the case of work that is placing a dwelling on land, the cost of: <ul style="list-style-type: none"> <li>(i) placing the dwelling on the land including siting, stumping and any other work in connection with that placement; and</li> <li>(ii) any residential building work to the dwelling after placement.</li> </ul> </li> <li>(d) in the case of work that is placing a transportable dwelling on land for the first time after construction, the cost of: <ul style="list-style-type: none"> <li>(i) the dwelling;</li> <li>(ii) placing the dwelling on the land including siting, stumping and any other work in connection with that placement; and</li> <li>(iii) any residential building work to the dwelling after placement.</li> </ul> </li> </ul>
Cost plus contract	a contract under which a builder is entitled to recover an amount excluding prime cost items and provisional sums that is not determined at the time when the contract is entered into, being an amount that includes the actual cost to be incurred in: <ul style="list-style-type: none"> <li>(a) acquiring materials; and</li> <li>(b) performing work,</li> </ul> specified in the contract, together with an additional amount that comprises either: <ul style="list-style-type: none"> <li>(a) a sum calculated as a percentage of that cost; or</li> <li>(b) a specified sum,</li> </ul> or both.

Word or Term	Meaning
Developer	<p>any means a person for whom residential building work is performed under:</p> <ul style="list-style-type: none"> <li>(a) a residential building work contract; or</li> <li>(b) a cost plus contract between a builder and another person for the performance by the builder of residential building work but does not include a contract for the performance by a builder of residential building work for another builder who is in turn obliged to perform the work under another contract;</li> </ul> <p>in relation to four (4) or more dwellings.</p>
Dwelling	a building occupied or intended for occupation solely or mainly as a place of residence.
Insolvent	<p>In relation to an individual, that the individual is insolvent under administration (within the meaning of the Corporations Act 2001).</p> <p>In relation to a corporation, that the corporation is an externally-administered body corporate administration (within the meaning of the Corporations Act 2001).</p>
Policy	This policy wording, any endorsements and the certificate of insurance.
Building Remedy Order	An order for remedy under part 3 of the Building Services (Complaint Resolution and Administration) Act 2011.
Relevant circumstance	<p>Any one or more of the following:</p> <ul style="list-style-type: none"> <li>(a) the builder is insolvent</li> <li>(b) the builder did not satisfy the financial requirements prescribed by regulations per section 18(1)(b) of Building Services (Registration) Act 2011, and either <ul style="list-style-type: none"> <li>(i) the Building Services Board does not renew the builder's registration as a building service contractor or</li> <li>(ii) the State Administrative Tribunal (SAT) cancels the builder's registration as a building service contractor</li> </ul> </li> <li>(c) if the builder is an individual, the builder has died</li> <li>(d) if the builder is not an individual, the builder has ceased to exist, or</li> <li>(e) after due search and enquiry, the builder cannot be found in Australia.</li> </ul>
Residential building work	<p>The whole or part of the work of:</p> <ul style="list-style-type: none"> <li>(a) constructing or re-constructing a dwelling including an existing dwelling and/or strata-titled dwelling;</li> <li>(b) placing a dwelling on land;</li> </ul>

Word or Term	Meaning
	<ul style="list-style-type: none"> <li>(c) altering, improving or repairing a dwelling, including a strata-titled dwelling; or</li> <li>(d) constructing or carrying out any associated work in connection with:</li> <li>(e) constructing or re-constructing a dwelling including an existing dwelling and/or strata-titled dwelling;</li> <li>(f) placing a dwelling on land; or</li> <li>(g) an existing dwelling, including a strata-titled dwelling,</li> <li>(h) when it is to be performed under a contract which also includes constructing or re-constructing of an existing dwelling or strata-title dwelling, placing a dwelling on land or altering, improving or repairing a dwelling or a strata-titled dwelling or it is associated work of the kind prescribed in the Act.</li> </ul>
Residential building work contract	<p>a contract for the performance of residential building work, but does not include:</p> <ul style="list-style-type: none"> <li>(a) a cost plus contract; or</li> <li>(b) a contract for the performance of residential building work for a builder who is in turn obliged to perform the work under another contract.</li> </ul>
Strata-titled dwelling	A building or part of a building, occupied or intended for occupation solely or mainly as a place of residence, that is erected on a lot in respect of which a plan is registered under the Strata Titles Act 1985.
We/our/us	QBE Insurance (Australia) Limited ABN 78 003 191 035.
Work	Residential building work which is done or is to be done by the builder under the building contract to the building.
You/your	<p>The person on whose behalf the work is done or is to be done, and any successor in title to that person.</p> <p>You/your does not include:</p> <ul style="list-style-type: none"> <li>(a) any developer, but only for claims that relate to non-completion of residential building work or loss of deposit;</li> <li>(b) the builder;</li> <li>(c) a person who does residential building work other than under a contract;</li> <li>(d) the holder of a builder's registration who and that carried out the work; or</li> <li>(e) any related bodies corporate of those above, within the meaning of section 50 of the Corporations Act 2001.</li> </ul>

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

## Home indemnity insurance policy

Home indemnity insurance protects the person on whose behalf work is to be done and the subsequent homeowners. The policy covers loss or damage resulting from the non-completion of the work or breach of statutory warranty because of a 'relevant circumstance'.

A 'relevant circumstance' exists when:

- the builder is insolvent
- the builder did not satisfy the financial requirements prescribed by regulations under section 18(1)(b) of Building Services (Registration) Act 2011, and either:
  - the Building Services Board does not renew the builder's registration as a building service contractor or
  - the State Administrative Tribunal (SAT) cancels the builder's registration as a building service contractor
- if the builder is an individual, the builder has died
- if the builder is not an individual, the builder has ceased to exist, or
- after due search and enquiry, the builder cannot be found in Australia.

A builder takes out this insurance policy on your behalf, and you are the beneficiary.

The builder must provide a home indemnity insurance certificate to the homeowners for each job they undertake. In addition, a copy of the home indemnity certificate of insurance will be provided to the builder/contractor and the local authority/council.

A copy of this policy wording is held by the builder and a copy is also provided to each homeowner with the home indemnity certificate of insurance.

### Who is covered by this policy?

You are the person covered under this policy. We do not cover anyone except you.

### What is covered by this policy?

We will pay for the following sustained by you:

1. loss or damage resulting from non-completion of the work because of a relevant circumstance;
2. loss or damage resulting from loss of a deposit because of a relevant circumstance; or
3. loss or damage arising from the inability to take advantage of an entitlement to, or to enforce or recover under, a building remedy order for the work but only if you cannot recover compensation from the builder or have the builder rectify the loss or damage because of a relevant circumstance.

### How much will we pay?

1. We may do two things, at our option, when we pay a claim under this policy. We will either make good the loss or damage or pay the amount of that loss or damage.
2. However, the following limitations apply to what we will pay:
  - (a) We will not pay:
    - (i) the first \$500 of each claim in relation to each dwelling in each building insured under this policy.
    - (ii) more than \$20,000 (or any other minimum amount prescribed by the Act) for loss of a deposit.

(b) We will not pay more than \$100,000 in total (or such other minimum amount as may be prescribed by the Act) or the cost of the work (whichever is the lesser), in the aggregate for all claims under this policy for each dwelling.

(c) If the work is carried out or to be carried out on land in a plan of subdivision containing common property, and the loss or damage relates to common property, we will not pay more to you for that claim than the amount calculated by dividing the amount payable for that claim by the number of dwellings in the building.

3. The limitations in clause 2 – 'How much will we pay' includes all the amounts payable under the heading 'What is covered by this policy'.

### What we don't pay

We will not pay under this policy:

1. under the heading – 'What is covered by this policy' for work done by the speculative builder.
2. for claims in the nature of liquidated damages for delay or damages for delay. However, this limitation does not extend to any increase in rectification costs caused by the passing of time.
3. for loss or damage that could reasonably be expected to result from fair wear and tear of the work, or from your failure to maintain the work.
4. in relation to a defect in, or repair of damage to the non-residential part of a building that supports or gives access to the residential part, unless it is a defect or damage that adversely affects the structure of the residential part or the access to it.
5. for loss or damage caused by the normal drying out of the building if the builder or speculative builder has taken all reasonable precautions in allowing for the normal drying out when carrying out the work.
6. for damage due to or made worse by the failure by you to take reasonable and timely action to minimise the damage.
7. in relation to an appliance or apparatus (such as a dishwasher or air conditioning unit) if the claim is made after the expiry of the manufacturer's warranty period for the appliance or apparatus concerned, or, if there is no warranty period, outside the reasonable lifetime of the appliance or apparatus.
8. in relation to damage to work or materials that occurs outside the reasonable life time of that work or materials or the manufacturer's warranty period for the materials.
9. for legal liability resulting from any event unless expressly insured under this policy.
10. in relation to an interest in the building that is not your interest.
11. in relation to a defect due to a faulty design provided by you or a previous owner.
12. for a deposit, progress or other payment to the extent that it exceeds the amount specified for such a payment in section 10 of the Act.
13. for loss, damage or defects due to:
  - (a) an act, error or omission of someone other than the builder or speculative builder or someone contracted by them.
  - (b) faulty or unsuitable materials supplied by you or supplied by a developer.
14. arising from, connected with or relating to personal injury, death, disease or illness of a person or for injury to or impairment of a person's mental condition.

15. other than in relation to the cover provided under the heading 'What is covered by this policy', for consequential loss of any kind, including loss of rent or other income, loss of value, loss of opportunity, inconvenience or distress, unless expressly insured under this policy.
16. for any claims connected with or relating to:
- war, invasion, acts of foreign enemies, hostilities or war like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, confiscation or nationalisation or requisition or destruction or damage to property by or under the order of any government or public or local authority.
  - fraud or dishonest conduct of any kind by you or a developer.
  - any terrorism, meaning any act that, having regard to the nature of the act, and the context in which it was done, is reasonable to characterise as an act of terrorism.
- An act can only be characterised an act of terrorism if it:
- > causes or threatens to cause death, personal injury or damage to property;
  - > is designed to influence a government or to intimidate the public or a section of the public; or
  - > is carried out for the purpose of advancing a political, religious, ideological, ethnic or similar cause.
- Any lawful activity or industrial action cannot be characterised as an act of terrorism.
- radioactivity or the use, existence or escape of any nuclear fuel, nuclear material or nuclear waste or action of nuclear fission or fusion.
  - the existence or use of asbestos products and/or products containing asbestos in the building or on or in the land on which the building is built.
  - mechanical or electrical breakdown, not attributable to the workmanship of, or the installation by the builder or speculative builder.
  - your failure to maintain appropriate protection against pest infestation or exposure to natural timbers.
  - the action of vermin, termites, moths or other insects, unless, and to the extent that, the work involved the treatment of the termites, moths or other insects or the prevention of the action of the vermin, termites, moths or other insects.
17. for loss, claim, cost, expense or obligation of any kind directly or indirectly arising from or relating to mould, fungus, mildew or spores unless, and to the extent that, the work involved the treatment of mould, fungus, mildew or spores or the prevention of mould, fungus, mildew or spores.
18. for claims insured under another policy of insurance issued under or pursuant to the Act.
19. for any claims that were allowed to be excluded by the Act as at the date the certificate of insurance was issued.

## How long are you covered for?

This policy covers claims in respect of work made within the period of six (6) years from the completion of the work.

## How long do you have to claim?

- You must notify us of a claim for loss or damage resulting from all causes (other than incomplete work) within a reasonable time of when you first became aware, or when you ought reasonably have become aware, of the fact or circumstance giving rise to the claim.
- In any event, you must notify us of a claim within the period of (6) years from the practical completion of the work.
- If you notify us of a defect, you are taken to have given notice of every defect to which the defect is directly or indirectly related, whether or not the claim in respect of the defect that was actually notified has been settled.

## Making a claim

- You must make a claim by completing our claim form. The claim form is available on our website [www.qbe.com](http://www.qbe.com).
- In answering any questions you must be honest and tell us everything you know. We will use this information to decide whether to pay 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.
- We will acknowledge receipt of your claim within five (5) business days. At this time we will confirm that we have all the required information or we will tell you of any other information needed to enable us to assess your claim.
- We will notify you within thirty (30) business days of receiving all the information necessary to assess your claim, if we accept that a relevant circumstance exists.

## Failures by the builder

- We will not either refuse to pay you for a claim under this policy or reduce any payment under this policy on the ground that the builder:
  - failed to comply with the duty of disclosure; or
  - made misrepresentations to us.
- We may, however, recover from the builder any amount we pay under this policy in those circumstances.

## Other important matters

### Enquiries and complaints

1. We believe that it is important that the good relationship we have with our clients is not damaged through any misunderstanding or dispute that may arise from our products or services.
2. Therefore, if you are:
  - (a) uncertain about any aspect of your insurance cover or any claim you have made on this policy; or
  - (b) concerned with delays in processing; or
  - (c) dissatisfied with any response from us or our agents including loss adjusters or investigators;

please make your concerns known to us by calling our team on 1300 790 723.

### Resolving complaints and disputes

#### Our commitment to you

At QBE we're committed to providing you with quality products and delivering the highest quality of service.

We also know that sometimes there might be something about our products or service that you're not totally happy about.

#### Step 1 - Talk to us

If there's something you want to talk to us about, or if you would like to make a complaint, our staff are there to work with you to try and resolve your issue.

If you're not happy with our staff, or if you're unhappy with how our staff have responded to your complaint you can ask to speak to their Manager.

You can also make your complaint directly to our Customer Care Unit.

#### How to contact QBE Customer Care

Phone	1300 650 503 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays). Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	<ul style="list-style-type: none"> <li>• <a href="mailto:complaints@qbe.com">complaints@qbe.com</a>, to make a complaint.</li> <li>• <a href="mailto:privacy@qbe.com">privacy@qbe.com</a>, to contact us about privacy or your personal information.</li> <li>• <a href="mailto:customercare@qbe.com">customercare@qbe.com</a>, to give feedback or pay a compliment.</li> </ul>
Post	Customer Care, GPO Box 219, Parramatta NSW 2124

#### Step 2 – Escalate your complaint

Whenever you make a complaint we will try and resolve it within 15 business days. If this hasn't happened, or if you're not happy with how our staff tried to resolve it, you can ask that your complaint be escalated to one of our Dispute Resolution Specialists.

Our Dispute Resolution Specialists will contact you with our final decision within 15 business days of your complaint being escalated.

#### Step 3 - Still not resolved?

If you're not satisfied with our decision, you may wish to seek independent legal advice.

## Our rights and obligations

We may, at our discretion, fulfil our obligations under this policy by either engaging or paying a builder to repair or rectify loss or damage or paying you the cost to you of doing so.

### Loss prevention

You must take all reasonable steps to prevent and/or minimise any act, error or omission or event which might cause or contribute to a claim under this policy.

### Recovery from others

1. If we pay a claim, we are entitled to be subrogated to your rights to recover against any other party (including the builder or speculative builder, or a contractor or supplier or a liquidator or administrator or the estate of the builder) to the extent of the amount paid by us.
2. You must not limit or exclude your rights against a party from whom you might otherwise be able to recover in respect of a 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 your actions.
3. You must provide us with reasonable assistance to recover damages or contribution from any other person.

### Goods and services tax

1. Despite the other provisions of this policy, our liability to you will be calculated taking into account any input tax credit to which you would have been entitled to for any acquisition which is relevant to your claim.
2. The person on whose behalf the work is done must tell us whether they are entitled to claim an input tax credit on the premium at the time they take up the policy. If they do not provide us with this information we may deduct up to 1/11th of the amount otherwise payable in settlement of your claim.
3. If you are registered for GST, this represents the reduction in the cash settlement for claims that would apply based on your entitlement to claim an input tax credit on the replacement goods or services.
4. If you were not entitled to an input tax credit on the premium, this will equal the GST credit to which we would have been entitled if you had disclosed your entitlement.
5. If you are only entitled to a partial input tax credit on the premium, this represents the reduction in the cash settlement for claims that would apply based on your entitlement to claim an input tax credit on the replacement goods or services plus the GST credit to which we may have been entitled if you had disclosed your entitlement.
6. Unless stated otherwise, all amounts payable by us under this policy and all policy limits are inclusive of GST.
7. 'GST', 'input tax credit' and 'acquisition' have the meaning given under the A New Tax System (Goods and Services Tax) Act.

### Application of laws

This Policy is subject to the law of Western Australia and Commonwealth legislation such as the Insurance Contracts Act. A reference to any legislation is a reference to legislation as amended from time to time.

### Conflict with the Act

This policy is intended to comply with the requirements set out under the Act. However, if this policy conflicts with, or is inconsistent with the Act, the policy must be read and enforceable as if it complies with the Act.

