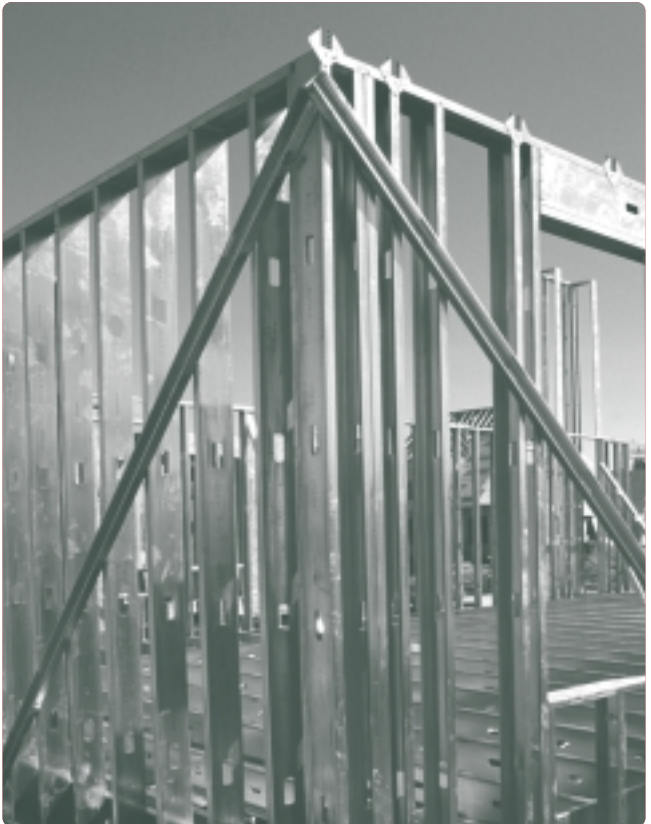




Owner-Builder  
NSW

Residential Construction  
Warranty Insurance



# 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 dwelling that is not your interest. We will not be liable under this policy to anybody except you.

# Privacy Statement

The *Privacy Act 1988* (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*) for the purposes of providing insurance services to you, including:

- ▼ evaluating your application;
- ▼ evaluating any request for a change to any insurance provided;
- ▼ providing, administering and managing the insurance services following acceptance of an application; and
- ▼ investigating and, if covered, managing claims made in relation to any issue you have with us or other companies within the same 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.

### **Disclosure**

We may disclose your personal information (and receive some personal information from), when necessary and in connection with the purposes listed above, to other companies within the same group, your insurance broker or our agent, Government bodies, loss assessors, claim investigators, reinsurers, other insurance companies, mailing houses, claims reference providers, other service providers, hospitals, medical and health professionals, legal and other professional advisers.

### **Consequences if Information is not Provided**

If you do not provide us with personal information we need we will be unable to consider your application for insurance cover, administer your policy or manage any claim under your policy.

### **Access**

You can request access to the personal information by writing to your nearest Vero branch or Vero Head Office and providing us with full details of what you would like to know or see.

### **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 Vero group of companies to which we belong. 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 the person who is the **purchaser of the land** on which the **work** is done, and any successor in title to that person.

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

**Act** means the *Home Building Act 1989*.

**Completion** has the same meaning as it does in the **Regulation** in respect of the **work**.

**Contractor** has the same meaning as it does in the **Regulation**.

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

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

**Dwelling** means dwelling(s) (as defined under the **Act**) described in the **project application** and includes any garage or storage area that is included in the same title as the **dwelling(s)**.

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

**Owner-builder** is the owner-builder described in the **project application** provided the owner-builder is an owner-builder under the **Act**.

**Owner-builder work** has the same meaning as it does under the **Act**.

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

**Project application** means the application form completed by the **owner-builder** to apply for this insurance.

**Purchaser of the land** has the same meaning as it does in the **Regulation**.

**Regulation** means the *Home Building Regulation 1997*.

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

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

**Work** means the **owner-builder work** which is to be or has been done by or on behalf of the **owner-builder** to the **dwelling(s)**.

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 New South Wales. The law of New South Wales 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 you suffer loss or damage because you are unable, because of the **insolvency**, death or **disappearance** of the **owner-builder**:

- (a) to recover compensation from the **owner-builder** for breach of a **statutory warranty**; or
- (b) to have the **owner-builder** rectify any such breach of a **statutory warranty**.

The cover we give in clause 3.1 extends to the acts or omissions of a person contracted by the **owner-builder** to do the **work**.

## 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 will not pay the first \$500 of each claim;
- (b) We will not pay more than \$200,000 (or such other amount as may be prescribed by the **Regulation**) in the aggregate for all claims under this **policy** in relation to each **dwelling**.

## 3.3 What We Exclude

We will not pay:

- (a) if you are the **owner-builder**;
- (b) if you are a **developer**;
- (c) if you are a person who does **residential building work** other than under a contract;
- (d) if you are a holder of a contractor licence who or which carried out **residential building work**;
- (e) if you are a company related (within the meaning of section 50 of the *Corporations Act 2001*) to any corporate person referred to in clauses 3.3 (b) - (d) above;
- (f) if your claim relates to the sale of land more than 6 years after the **completion** of the **work**;
- (g) if the reasonable market cost of the labour and materials involved did not exceed \$12,000 or any other amount prescribed by the **Regulation**;
- (h) if the **work** is of a class prescribed by the **Regulation**;
- (i) any loss or damage in respect of any defect that is referred to in any report on the **work** which we required to be obtained before the **policy** was entered into;
- (j) 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**;

- (k) for loss or damage in relation to a defect in, or the repair of damage to, **structural elements** in 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;
- (l) for damage caused by the normal drying out of the building work if the contractor has taken all reasonable precautions in allowing for the normal drying out when carrying out the building work;
- (m) for damage due to or made worse by the failure by you or your predecessors in title to take reasonable and timely action to minimise the damage;
- (n) for loss or damage 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;
- (o) a claim in relation to work or materials that is made outside the reasonable lifetime of that work or materials or the manufacturer's warranty period for the materials; or
- (p) a claim in relation to faulty design provided by you or your predecessors in title.

The cover provided by this **policy** does not extend to an interest in the **dwelling** 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 when lodging a project, 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**.

If we have provided to you or another person a certificate of insurance evidencing insurance for the **work**, we are not entitled to refuse to pay a claim in respect of the **work** or to cancel the insurance merely on the grounds that the premium was not paid.

## 5. How Long We Cover You For

- (a) This **policy** provides cover in respect of loss arising from a **structural defect** for 6 years after the **completion** of the **work**.
- (b) This **policy** provides cover in respect of loss, other than loss arising from a **structural defect**, for 2 years after the **completion** of the **work**.

## 6. When You Must Make a Claim

- (a) Except as referred to in clause 6(b), we will not pay any claim if the claim is notified to us later than 6 months after you first become aware, or ought reasonably to be aware, of the fact or circumstance giving rise to the claim.
- (b) We will not pay any claim for loss or damage resulting from incomplete **work** if the claim is notified to us later than 12 months after the date **work** ceased.
- (c) We will not reduce our liability for any claim or reduce any amount otherwise payable in respect of a claim, merely on the grounds of a delay by you in notifying us of a claim if the claim is notified to us within the time periods specified in clause 6(a) and clause 6(b) above.

## 7. Non-Disclosure or Misrepresentation

We are not entitled to either refuse to cover you for a claim under this **policy** or to cancel this **policy** for failure to comply with the duty of disclosure or misrepresentation by the **owner-builder**.

We may, however, recover from the **owner-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

As part of the **policy** premium, we will charge you an amount on account of GST.

You must inform us of the extent to which you are entitled to an input tax credit for that GST amount each time that you make a claim under this **policy**. No payment will be made to you for any GST liability that you may incur on the settlement of a claim if you do not inform us of your entitlement or correct entitlement to an input tax credit.

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*.

# Notes

# Notes

Insured by:  
Vero Insurance Limited  
ABN 48 005 297 807

V4706 11/03

