

Domestic Construction

INSURANCE POLICY

Residential Builders Victoria

POLICY

This Policy is underwritten by QBE Insurance (Australia) Limited
ABN 78 003 191 035 of 82 Pitt Street, Sydney.

QM1281



About this booklet

This booklet contains 2 separate parts:

General Information and the Policy Terms and Conditions.

General Information

This part of the booklet contains information you need to know before you take out a Policy. Please read it carefully before taking out this insurance.

Policy Terms and Conditions

The Policy part of this booklet contains the Policy Terms and Conditions, which detail all the terms, conditions and exclusions relating to the Policy. It forms part of your legal contract with us.

If we issue you with an insurance policy, you will be given a Policy Schedule. The Policy Schedule sets out the specific terms applicable to your cover and should be read together with the Policy Terms and Conditions.

The Policy Terms and Conditions and the Policy Schedule we send to you form your legal contract with us so please keep them in a safe place for future reference.

If you require further information about this product, please contact your Financial Services Provider.

About QBE Australia

QBE Insurance (Australia) Limited is a member of the QBE Insurance Group (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the top 25 insurers and reinsurers worldwide. The company has been operating in Australia since 1886 and continues to provide industry-leading insurance solutions that are focused on the needs of intermediaries and their clients.

QBE is a household name in Australian insurance, backed by sizeable assets, and well known as a strong and financially secure organisation.

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GENERAL INFORMATION FOR DOMESTIC CONSTRUCTION RESIDENTIAL BUILDERS VICTORIA INSURANCE POLICY

The information contained in this part is general information only and does not form part of your contract with us. The Policy Terms and Conditions in the rest of this booklet contain details of your contract.

Duty of Disclosure – What you must tell us

Under the Insurance Contracts Act 1984 (the Act), you have a Duty of Disclosure. You are required before you enter into, renew, vary, extend or reinstate your Policy, to tell us everything you know and that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to our decision whether to insure you, and anyone else to be insured under the Policy, and if so, on what terms.

- **You do not have to tell us about any matter**
 - that diminishes the risk
 - that is of common knowledge
 - that we know or should know in the ordinary course of our business as an insurer, or
 - which we indicate we do not want to know.
- **If you do not tell us**

If you do not comply with your Duty of Disclosure we may reduce or refuse to pay a claim or cancel your Policy. If your non-disclosure is fraudulent we may treat this Policy as never having worked.

Privacy

Privacy legislation regulates the way private sector organisations can collect, use, keep secure and disclose personal information. We are bound by the Privacy Act 1988 (Cth.), when collecting and handling your personal information. QBE has developed a privacy policy which explains what sort of personal information we hold about you and what we do with it.

We will only collect personal information from or about you for the purpose of assessing your application for insurance and administering your insurance policy, including any claims you make. We will only use and disclose your personal information for a purpose you would reasonably expect.

We may need to disclose personal information to our reinsurers, (who may be located overseas), insurance intermediaries, insurance reference bureaux, credit reference agencies, our advisers and those involved in the claims handling process (including assessors and investigators), for the purposes of assisting us and them in providing relevant services and products, or for the purposes of litigation. We may disclose personal information to people listed as co-insured on your policy and to family members or agents authorised by you. We may also disclose information to organisations which conduct customer service surveys on our behalf. We will request your consent to any other purpose.

By providing your personal information to us, you consent to us making these disclosures. Without your personal information we may not be able to issue insurance cover to you or process your claim.

You also have the opportunity to find out what personal information we hold about you and, when necessary, correct any errors in this information. Generally we will do this without restriction or charge. For further information about our Privacy Policy or to access or correct your personal information, please contact The Compliance Manager, QBE Insurance (Australia) Limited, GPO Box 82 Sydney NSW 2001. Telephone: (02) 9375-4656, Fax: (02) 8275-9022 or Email: compliance.manager@qbe.com

The General Insurance Code of Practice

QBE Insurance (Australia) Limited is a signatory to the General Insurance Code of Practice. The Code aims to:

- promote more informed relations between insurers and their customers;
- improve consumer confidence in the general insurance industry;
- provide better mechanisms for the resolution of complaints and disputes between insurers and their customers; and
- commit insurers and the professionals they rely upon to higher standards of customer service.

Dispute resolution

We will do everything possible to provide a quality service to you. However, we recognise that occasionally there may be some aspect of our service or a decision we have made that you wish to query or draw to our attention.

We have a Complaints and Dispute Resolution Procedure which undertakes to provide an answer to your complaint within 15 working days.

If you would like to make a complaint or access our internal dispute resolution service please contact your nearest QBE office and ask to speak to a dispute resolution specialist.

POLICY TERMS AND CONDITIONS FOR DOMESTIC CONSTRUCTION RESIDENTIAL BUILDERS VICTORIA INSURANCE POLICY

Insurer

The Policy is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney.

Our agreement with you

This Policy is a legal contract between you and us. You pay us the premium, and we provide you with the cover you have chosen as set out in the Policy, during the period of insurance shown on your Policy Schedule or any renewal period.

The deductibles set out in the section headed 'How much will we pay – Excess?' apply to all claims except where otherwise stated. The amount of any deductible that applies to your Policy will be shown on your Policy Schedule.

The exclusions in the section(s) headed 'What we don't pay' and conditions in the section headed 'General Conditions' apply to all types of cover.

Your Policy

Your Policy consists of the Policy Terms and Conditions in this booklet and the Policy Schedule we give you.

Please read your Policy carefully, and satisfy yourself that it provides the cover you require.

If you want more information about any part of your Policy, please ask us, or your Financial Services Provider.

The address and telephone number of your QBE branch are on your Policy Schedule.

You should keep your Policy Booklet and Policy Schedule together in a safe and convenient place for future reference.

Paying your premium

You must pay your premium by the due date. If we do not receive your premium by this date or your payment is dishonoured this Policy will not operate and there will be no cover.

How Goods and Services Tax affects any payments we make

The amount of premium payable by you for this Policy includes an amount on account of the GST on the premium.

When we pay a claim, your GST status will determine the amount we pay.

When you are:

- (a) not registered for GST, the amount we pay is the sum insured/limit of liability or the other limits of insurance cover including GST.

- (b) registered for GST, we will pay the sum insured/limit of liability or the other limits of insurance and 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) we will pay for the GST amount.

We will reduce the GST amount we pay for by the amount of any input tax credits to which you are or would be entitled if you made a relevant acquisition. In these circumstances, the Input Tax Credit may be claimable through your Business Activity Statement (BAS).

You must advise us of your correct Australian Business Number and Taxable Percentage.

Any GST liability arising from your incorrect advice is payable by you.

Where the settlement of your claim is less than the sum insured/limit of liability or the other limits of insurance cover, we will only pay an amount for GST (less your entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover your loss, we will only pay the GST relating to our settlement of the claim.

We will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by any business of yours which is relevant to your claim.

GST, Input Tax Credit (ITC), Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

Taxable Percentage is your entitlement to an Input Tax Credit on your premium as a percentage of the total GST on that premium.

Words with special meanings – definitions which apply to all Sections of this Policy

Some key words and terms used in this Policy have a special meaning.

If words and terms are only used in just one Section of the Policy, we will describe their special meaning in that Section.

Wherever the following words or terms are used in the Policy, they mean what is set out below:

Word or Term	Meaning
Act	the Building Act 1993 and regulations. The regulations when referred to separately are referred to as the regulations.
Builder	the builder registered under the Act and named in the certificate of insurance as the builder. For the purposes of the cover we give under the heading 'What is covered by this Policy?', builder includes any person contracted by the builder to perform the work.
Building	the home(s) described in the certificate of insurance.
Building contract	the contract between you or a developer and the builder or between you and a speculative builder pursuant to which domestic building work is carried out or is to be carried out in connection with the building.
Building site	the place where work is carried out or is to be carried out.
Carry out or Carried out	includes manage or arrange the carrying out.
Certificate of insurance	the certificate we produce that includes important information and details about this policy. The certificate of insurance will be evidence of the issue of this policy.
Commencement date	The earlier of: (a) the date that the building contract is entered into; or (b) the date of issue of the building permit for the work.
Common property	the common property of a building on land in a plan of subdivision containing common property.
Completion (of domestic building work)	(a) the date of issue or the occupancy permit in respect of the building (whether or not that permit is subsequently cancelled or varied). (b) if an occupancy permit is not issued, the date of issue under part 4 of the of a certificate of inspection of the domestic building work.

Word or Term	Meaning
Completion (of domestic building work) (continued)	(c) in any other case, the date of practical completion of the domestic building work.
Construction	(a) build, rebuild, erect or re-erect the building; (b) make alterations to the building; (c) enlarge or extend the building; or (d) cause any other person to do, or manage or arrange the doing of, any of the above in relation to the building.
Defective	includes, in respect of any work: (a) in breach of a statutory warranty; or (b) where there has been a failure to maintain any standard or quality of work specified in the building contract.
Developer	any building owner or other person for who 3 or more homes are or will be built on any one building site or more than one building site under one domestic building contract.
Disappearance	includes cannot be found, after due search and enquiry.
Domestic Builder Act or Domestic Building Regulations	respectively, the Domestic Building Contracts Act 1995 and the regulations made under that legislation.
Domestic building contract	a contract for the provision of domestic building work.
Domestic building work	the following work: (a) the erection or construction of a home, including: (i) any associated work including but not limited to, landscaping, paving and the erection or construction of any building or fixture associated with the home (such as retaining structures, driveways, fencing, garages, workshops, swimming pools or spas); and (ii) the provision of lighting, heating, ventilation, air conditioning, water supply, sewage or draining to the home or the property on which the home is, or is to be; (b) the renovation, alteration, extension, improvement or repair of a home;

Word or Term	Meaning	Word or Term	Meaning
Domestic building work (continued)	<ul style="list-style-type: none"> (c) any work such as landscaping, paving or the erection or construction of retaining structures, driveways, fencing, garages, workshops, swimming pools or spas that is to be carried out in conjunction with the renovation, alteration, extension, improvement or repair of a home; (d) the demolition or removal of a home; (e) any work associated with the construction or erection of a building: <ul style="list-style-type: none"> (i) on land zoned for residential purposes under a planning scheme under the Planning and Environment Act 1987 (Vic); and (ii) in respect of which a building permit is required under the Act; (f) any site work (including work required to gain access, to remove impediments to access, to a building site) related to work referred to above. (g) the preparation of plans or specifications for the carrying out of work referred to above; or (h) any work that the Domestic Building Regulations state is building work for the purposes of the Domestic Building Act. <p>Domestic building work does not include:</p> <ul style="list-style-type: none"> (i) any work that the Domestic Building Regulations state is not building work to which the Domestic Building Act applies. (j) any work in relation to a farm building or proposed farm building (other than a home). (k) any work in relation to a building intended to be used only for business purposes; (l) any work in relation to a building intended to be used only to accommodate animals; (m) design work carried out by an architect or a building practitioner registered under the Act as an engineer or a draftsperson; (n) any work involved in obtaining foundations data in relation to a building site; or (o) the transporting of a building from one building site to another. 	Home (continued)	<p>Home does not include:</p> <ul style="list-style-type: none"> (a) a caravan or rooming house within the meaning of the Residential Tenancies Act 1997 (Vic.); (b) any residence that is not intended for permanent habitation (including services apartments); (c) a motel, residential club, residential hotel or residential part of licensed premises under the Liquor Control Reform Act 1998 (Vic.). (d) a nursing home, hospital or accommodation associated with a hospital; (e) any residence that the Domestic Building Regulations state is not a home for the purposes of the definition of home in the Domestic Building Act. <p>building or portion of a building that is designed, constructed or adapted for use as a dwelling (such as a detached or semi-detached house, transportable house, terrace or town duplex, villa-home, strata or company title unit or residential flat).</p>
		Insolvency	<ul style="list-style-type: none"> (a) in relation to an individual, that the individual is insolvent under administration (within the meaning of the Corporations Act 2001). (b) in relation to a body corporate, that the body corporate is an externally-administered body corporate administration (within the meaning of the Corporations Act 2001)
		Non-structural defect	a defect in the building other than a structural defect.
		Order	Domestic Building Insurance Ministerial Order under the Act no. S98 issued on Friday 23 May 2003.
		Policy	this policy wording, any endorsements and the certificate of insurance.
		Speculative builder	<p>an individual or corporation who owns land and carries out domestic building work on it, is licensed under the Act and named on the certificate of insurance as a speculative builder.</p> <p>For the purposes of the cover we give under the heading 'What is covered by this Policy?', speculative builder includes an individual contracted by the speculative builder to perform the work.</p>
Home	any residential premises or part of any other premises that is used as residential premises.		

Words with special meaning

Word or Term	Meaning	Word or Term	Meaning
Statutory warranty	<p>each of the following warranties implied by the Domestic Building Act:</p> <ul style="list-style-type: none"> (a) that the work will be performed in a proper and workmanlike manner and in accordance with the plans and specifications set out in the contract. (b) that all materials supplied will be good and suitable for the purpose for which they are used and that, unless otherwise stated in the contract, those materials will be new. (c) that the work will be done in accordance with, and will comply with, the Act and any other law. (d) that the work will be done with reasonable care and skill and within the time stipulated in the contract. (e) that, if the work consists of the erection or construction of a home, or is work intended to renovate, alter, extend, improve or repair a home to a stage suitable for occupation, the home will be suitable for occupation at the time the work is completed. (f) if the contract states the particular purpose for which the work is required, or the result which the building owner wishes that work to achieve, so as to show that the building owner relied of the builder's skill and judgment, that the work and materials used in carrying out the work will be reasonably fit for that purpose or will be of such a nature and quality that might reasonably be expected to achieve that result. 	Structural defect (continued)	<p>(d) results in, or is likely to result in a threat of imminent collapse that may reasonably be considered to cause destruction of the building or physical damage to the building or any part of the building.</p>
Structural defect	<p>any defect in a structural element of a building that is attributable to defective design, defective or faulty workmanship or defective materials (or a combination of these) and that:</p> <ul style="list-style-type: none"> (a) results in, or is likely to result in, the building or any part of the building being required by or under any law to be closed or prohibited from being used; (b) prevents, or is likely to prevent, the continued practical use of the building or any part of the building; (c) results in, or is likely to result in: <ul style="list-style-type: none"> (i) the destruction of the building or any part of the building; or (ii) physical damage to the building or any part of the building; or 	Structural element	<p>any component or part of an assembly which provides necessary supporting structure to the whole or any part of the building.</p>
		Structural element of a building	<p>(a) any internal or external load-bearing component of the building that is essential to the stability of the building or any part of it, including (but not limited to) foundations, floors, walls, roofs, columns and beams.</p> <p>(b) any component (including weatherproofing) that forms part of the external walls or roof of the building.</p>
		Terrorism	<p>any act, or the 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 any such government, or in pursuit of political, religious, ideological or similar purpose to intimidate the public or a sector 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:</p> <ul style="list-style-type: none"> (a) involves violence against one or more persons; (b) involves damage to property; (c) endangers life other than that of the person committing the action; (d) creates a risk to health or safety of the public or a section of the public; or (e) is designed to interfere with or disrupt an electronic system.
		Trade Practices Act provision	<p>Sections 52, 53, 55A or 74 of the Trade Practices Act 1974 (Cth) or Section 9, 11 or 12 of the Fair Trading Act 1999.</p>
		Tribunal	<p>the Victorian Civil and Administration Tribunal established by the Victorian Civil and Administration Tribunal Act 1998.</p>
		We/our/us	<p>QBE Insurance (Australia) Limited ABN 78 003 191 035.</p>
		Work	<p>domestic building work which is done or is to be done by the builder or speculative builder to the building under the building contract or by the speculative builder to the building.</p>

Word or Term	Meaning
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"> (a) Any developer, but only for claims that relate to non-completion of domestic building work; (b) The speculative builder; (c) The builder; (d) A person who does domestic building work other than under a contract; or (e) Any related bodies corporate of those above, within the meaning of section 50 of the Corporations Act 2001.

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

Domestic builders warranty insurance

Domestic builders warranty 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:

- Death; or
- Disappearance; or
- Insolvency

of the builder.

This policy also covers loss or damage resulting from conduct in breach of certain trade practices provisions.

A builder takes out this insurance policy, but the beneficiary is the homeowner or subsequent homeowner.

The builder must provide a Residential Builders Warranty Certificate to the homeowners for each job they undertake. In addition, a copy of the Residential Builders Warranty Certificate 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 Certificate.

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?

Primary cover

We will pay for the following sustained by you:

- (a) loss or damage resulting from non-completion of the work because of the insolvency, death or disappearance of the builder or speculative builder; or

- (b) the following loss or damage but only if you cannot recover compensation from the builder or speculative builder, or have the builder or speculative builder rectify the loss or damage, because of the insolvency, death or disappearance of the builder or speculative builder:
 - (i) loss or damage arising from work that is defective; or
 - (ii) loss or damage resulting from conduct of the builder or speculative builder in respect of the work that contravenes a Trade Practices Act provision (but only for the cost of rectifying the work).

Supplementary cover

We will also pay for the following:

- (a) the cost to you of alternative accommodation, removal and storage costs reasonably and necessarily incurred as a result of an event referred to in the Primary Cover clause. We will not pay for accommodation or storage costs for any period of accommodation or storage that exceeds 60 days; and
- (b) your loss of a deposit or progress payment (or part of it) under a building contract due to an event referred to in the Primary Cover clauses.

How much will we pay?

General

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.

Excess

'Excess' means the first amount you must contribute to any claim you make under this policy.

We deduct the excess shown in the Policy document or on the current Policy Schedule from the amount of your claim.

Where a sub-limit is applicable, the excess will be applied to the claim prior to applying the sub-limit.

We will not pay the following amounts for each claim for defective work in relation to each home in each building insured under this policy:

- (a) any amount for claims under \$500 made between 3 and 12 months after completion of the work;
- (b) the first \$500 for claims made between 1 and 3 years after completion of the work;
- (c) the first \$750 for claims made between 3 and 5 years after completion of the work; and
- (d) the first \$1000 for claims made later than 5 years after completion of the work.

The amounts set out in 'Excess' will be applied only once in relation to:

- (a) any claim comprising more than one defect; or
- (b) two or more claims that relate to the same defect.

For the purposes of clause the Excess clause:

- (a) a claim of \$500 or more may relate to more than one defect, if the loss or damage for any one or more of those defects is less than \$500.
- (b) the date a claim is made is the date that you notify us of circumstances that may give rise to a claim or the date the claim is made, whichever is the earlier.

To avoid doubt, no amount is payable by you or applied to you under the Excess clause for loss or damage arising:

- (a) between the commencement date and the date that is 3 months after the completion date; or
- (b) from non-completion of the work.

Other limitations

The following limitations also apply to what we will pay you under this policy:

- (a) Subject to clause (b), we will not pay more than \$200,000 in total in the aggregate for all claims under this policy for each home. This amount includes the reasonable legal costs that you incur in connection with a successful claim against us.
- (b) If any claims are paid for loss or damage that relates to common property, the amount payable under clause (a) will be reduced by the amount calculated by dividing the amount paid by us for those claims divided by the number of homes in the building containing the common property.
- (c) If the claim is in respect of loss or damage resulting from non-completion of the work, we will not pay more than 20% of the contract price (including any agreed variation to the contract price) for the work.

The limitations in the clause above include the amounts payable under 'Supplementary Cover'.

What we don't pay

We will not pay under this policy:

- (a) for claims in the nature of damages (liquidated or otherwise), fines or penalties for delay. However, this limitation does not extend to any increase in rectification costs caused by the passing of time.
- (b) for any amount that exceeds the amounts that should have been paid to the builder or speculative builder in accordance with section 11, section 40(2), 40(3) or 40(4) of the Domestic Building Act.
- (c) for any claim that relates to the failure to complete work if the death, disappearance or insolvency of the builder or speculative builder occurs before the builder or speculative builder commences any work on the building site (other than the removal of vegetation) that requires the use of tools or building materials. This exclusion does not apply to the following costs and expenses:
 - (i) any money paid to the builder or speculative contractor before the death, disappearance or insolvency; and
 - (ii) all other reasonable costs and expenses incurred by you in relation to the building contract prior to the death, disappearance or insolvency.

- (d) for loss or damage relating to landscaping, paving, retaining structures, driveways or fencing, other than (and to the extent that) the work:
 - (i) is integral to the construction of the building;
 - (ii) requires the issue of a building permit under the Act;
 - (iii) could result in water penetration of or within the building;
 - (iv) could adversely affect health or safety;
 - (v) adversely affects the structural adequacy of the building; or
 - (vi) is not completed.
- (e) 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.
- (f) in relation to a defect in, or 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.
- (g) 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.
- (h) for damage due to or made worse by the failure by you to take reasonable and timely action to minimise the damage.
- (i) 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.
- (j) in relation to damage to work or materials that is made outside the reasonable life time of that work or materials or the manufacturer's warranty period for the materials.
- (k) for legal liability resulting from any event unless expressly insured under this policy.
- (l) in relation to any matter before this policy started (subject to clause 'Failures by the builder').
- (m) in relation to visible defects in the work of which you should reasonably have been aware when acquiring the building, including any defect of incomplete work that is referred to in a report prepared in accordance with section 137B of the Act.
- (n) in relation to an interest in the building that is not your interest.
- (o) in relation to a defect due to a faulty design provided by you or a previous owner (other than the speculative builder).
- (p) where the damage is due to, or increased by, the affected part of the building being used primarily for non-residential use.
- (q) for loss, damage or defects due to:
 - (i) an act, error or omission of someone other than the builder or speculative builder or someone contracted by them.

- (ii) faulty or unsuitable materials supplied by you or a developer.
- (r) 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.
- (s) 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.
- (t) for any claims connected with or relating to:
 - (i) 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.
 - (ii) fraud or dishonest conduct by you of any kind.
 - (iii) any terrorism.
 - (iv) radioactivity or the use, existence or escape of any nuclear fuel, nuclear material or nuclear waste or action of nuclear fission or fusion.
 - (v) 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.
 - (vi) mechanical or electrical breakdown, not attributable to the workmanship of, or the installation by the builder or speculative builder.
 - (vii) your failure to maintain appropriate protection against pest infestation or exposure to natural timbers.
 - (viii) the action of vermin, termites, moths or other insects.
- (u) for any claims insured under another policy of insurance issued under the Act.
- (v) for any loss, claim, cost, expense or obligation of any kind directly or indirectly arising from or relating to mould, fungus, mildew or spores.
- (w) for any claims that were allowed to be excluded by the Act or the Order as at the date the certificate of insurance was issued.

How long are you covered for?

Non-structural defects

This policy covers loss or damage arising from a non-structural defect occurring during the period commencing on the commencement date and ending 2 years after the completion of the work or date of termination of the building contract, whichever is the earlier.

Other causes

This policy covers loss, damage or expense, from a cause other than a non-structural defect, occurring during the period commencing on the commencement date and ending 6 years after the completion of the work or the date of termination of the building contract, whichever is the earlier.

How long do you have to claim?

You must notify us of the death, disappearance or insolvency of the builder or speculative builder within 180 day of you becoming aware of that event or happening or when you might reasonably be expected to have become aware of that event or happening (whichever is the earlier).

If you notify us of a structural defect or other 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.

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.

If we have not determined a written claim within 90 days of receipt of the claim (or within any extension of time granted to us by you or the tribunal) we are deemed to have accepted liability for the claim.

You must:

- (a) comply with our reasonable directions in relation to completion or rectification of the work. 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, including loss of confidence in our builder);
- (b) not undertake any rectification work without notifying us, unless that work is reasonably necessary to prevent or minimise further loss or damage.
- (c) not make any admissions, offer, promise , payment or incur any cost or expense in connection with any claim, without our written consent.
- (d) give us any assistance, information or documents which we request.

We will acknowledge receipt of your claim notification within 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 30 business days of receiving all the information necessary to assess your claim, if we accept that the builder is dead, has disappeared or is insolvent.

Failures by the builder

We will not either refuse to pay a claim under this policy or reduce any liability under this policy on the ground that the builder or speculative builder:

- (a) failed to comply with the duty of good faith;
- (b) failed to comply with the duty of disclosure;
- (c) made representations to us
- (d) failed to comply with a provision or requirement of the policy;
- (e) by act or omission prejudiced our interests; or
- (f) failed to pay the policy premium.

We may, however, recover from the builder or speculative builder any amount we pay under this policy in those circumstances.

General Conditions

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.

Subject to the next two clauses below, you must comply with your obligations under the policy, otherwise we may not have to pay your claim(s).

We will not reduce our liability or any amount payable under this policy by reason only of a delay in notification of a claim if you notified us in writing of the death, disappearance or insolvency of the builder or speculative builder within 180 days of you first becoming aware or when you might reasonably be expected to have become aware (whichever of the earlier) of that event or happening; or

We will not reduce our liability to you under this policy because you have failed to comply with any of the requirements in clause 10 (a) to (d), unless, and only to the extent that, your failure increased our liability under this policy.

If we have notice of proceedings before the tribunal about the work, we will accept as determinative of the issues any finding made by the tribunal:

- (a) as to whether any of the following events has occurred:
 - (i) the non-completion of the work;
 - (ii) loss or damage for the purposes of 'Primary Cover' clause of this policy;
 - (iii) an event referred to in 'Supplementary Cover' clause of this policy; and
- (b) if so, as to the amount of the loss or damage suffered by you as a result of the matters mentioned in (a).

We will notify the Building Practitioners Board (at the times and in the manner agreed with the Board) in the event that:

- (a) the builder or speculative builder is refused insurance by us or ceases to be eligible to renew or procure insurance from us or, in respect of domestic building work performed prior to the commencement of the Order, fails to purchase or maintain the required insurance (if we are aware of that failure); and
- (b) any claim under this policy is settled by agreement or otherwise.

We will provide a certificate of insurance in the form required by the Order in respect of the building to the builder or speculative builder immediately on the issue of the policy or, at any time after that date, at the request of you or the builder or speculative contractor.

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. This includes taking reasonable steps to prevent access to any person for the purpose of removing good and materials in lieu of payment.

Recovery from others

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 or speculative builder) 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 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.

You must provide us with reasonable assistance to recover damages or contribution from any other person.

Application of laws

This policy is subject to the law of Victoria. The law of Victoria includes Commonwealth legislation such as the Insurance Contracts Act (including section 54 of that legislation).

Conflict with the Order

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

