



Domestic Building Insurance - Victoria

Policy Wording

Welcome to the financial security provided by Calliden Domestic Building Insurance - Victoria Policy Wording.

This product is issued by Calliden Insurance Limited (Calliden) (ABN 47 004 125 268, AFSL 234438). The information in this booklet is current at the date of preparation.

This product is distributed by Calliden Agency Services Limited (CASL) (ABN 15 096 726 895, AFSL 234437) who act as our agent and do not act as your agent. The product is also distributed by other insurance intermediaries (brokers) who generally do act as your agent when you purchase this product.

We are happy to explain the benefits of this Policy. If you require further information please contact us on 1800 805 899.

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Important Information

The Insurer

The insurer of this policy is Calliden Insurance Limited (Calliden) ABN 47 004 125 268. Calliden is a wholly-owned subsidiary of Calliden Group Limited which is an Australian company listed on the ASX. Calliden is authorised under the Australian Insurance Act 1973 (Cth) to conduct insurance business in Australia. That Act establishes a system of financial supervision of general insurers in Australia. As an authorised insurer, Calliden is regulated by the Australian Prudential Regulation Authority (APRA).

Calliden is also regulated under the Corporations Act 2001 and is the holder of an Australian Financial Services Licence (AFS Licence No. 234438) issued pursuant to that Act. As a holder of an AFS Licence, Calliden is regulated by the Australian Securities and Investments Commission (ASIC).

Calliden specialises in manufacturing general insurance products for individuals, the SME sector and groups across metro and regional Australia. You may contact Calliden in any of the following ways:

Tel: +61 2 9551 1111

Postal Address: PO Box 348, Milsons Point NSW 1565

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

The Agent

Calliden Agency Services Limited (CASL)
ABN 15 096 726 895, AFSL 234437.

CASL arranges policies for and on behalf of Calliden. CASL acts under a binding authority given to it by the insurer to administer and issue policies, alterations and renewals. In all aspects of arranging this Policy, CASL acts as an agent for the insurer and not for you.

Duty of Disclosure

This Policy is subject to the Insurance Contracts Act 1984, under that Act you have a Duty of Disclosure.

Before you take out insurance with us, you have a duty, under the Insurance Contracts Act 1984, to tell us of everything that you know, or could reasonably be expected to know, is relevant to our decision to insure you and to the terms of that insurance. If you are not sure whether something is relevant you should inform us anyway.

You have the same legal duty to inform us of those things before you renew, extend, vary, or reinstate your contract of general insurance.

Your duty however does not require disclosure of things that:

- reduce the risk
- are common knowledge
- we know or, in the ordinary course of our business, ought to know, or
- we have indicated we do not want to know.

If you do not comply with your Duty of Disclosure, we may be entitled to:

- reduce our liability for any claim
- cancel the contract
- refuse to pay the claim
- avoid the contract from its beginning, if your non-disclosure was fraudulent.

Limitation or Exclusion of Rights Against Third Parties

This Policy provides that you must not limit or exclude your rights against a party from whom you might otherwise be able to recover in respect to the loss or damage - see Condition e) of this Policy.

Interested Parties

This Policy provides that the cover provided by this Policy does not extend to an interest in the Dwelling that is not your interest - see Condition f) of this Policy.

Privacy

Both CASL and Calliden are committed to protecting the privacy of the personal information you provide to us. Any personal information you give us will be treated in accordance with the National Privacy principles, an industry code approved under the Privacy Act 1988 (Cth).

We collect personal information from you for the purpose of issuing you with, and administering, this insurance product (including the handling and settlement of claims).

CASL also collects information from you to help develop and identify other products and services that may interest clients.

Important Information (cont'd)

We will only disclose personal information about you to third parties where we believe it is necessary to assist us in providing our relevant services and products.

The parties to whom we may disclose your personal information include (but are not limited to) other insurers, reinsurers, reinsurance brokers, loss adjusters, external claims data collectors, investigators, agents and others involved in the claims handling process, or as required by law.

By submitting your personal information to us, you agree to us using and disclosing your personal information as outlined in this Privacy Statement.

This consent to the use and disclosure of your personal information remains valid unless you alter or revoke it by giving us written notice.

If you do not provide the information requested, your insurance application may not be accepted, or we may not be able to administer your Policy, or you may breach your Duty of Disclosure, the consequences of which are set out under the heading Duty of Disclosure in this document.

You can request access to the personal information we hold about you and, where necessary, you can notify us in writing of changes so we can ensure that the information we hold about you is accurate, complete and up-to-date.

From time to time, we may use your name and contact details to send you or your firm offers or information regarding our insurance services or promotions that may be of interest to you. Please let us know if you no longer wish to receive this information.

If you require additional information or would like a copy of our privacy policies, please contact us through the following means:

- obtain the privacy policy online at www.calliden.com.au
- by phone +61 2 9551 1111
- by email to privacy@calliden.com.au
- by letter to Privacy Officer, PO Box 348, Milsons Point, NSW 1565

Our Agreement With You

This Policy is a legal contract between you and us.

You, or any other person insured under this Policy, must comply with all provisions of this Policy, otherwise there may be no claim payable under this Policy.

This Policy will only respond to claims in connection with work described in the Contract which supported the Application for this insurance, and carried out at the site described in the Certificate of Insurance.

Dispute Resolution Process

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

If you have a complaint:

- Contact CASL by phone on +61 2 9551 1111. You will be put in contact with someone who can help resolve your complaint.
- If you wish you can also write to us about your complaint to Attention:

The Customer Relations Manager,
PO Box 348, Milsons Point, NSW 1565, or by email to servicefeedback@calliden.com.au.
- We will listen to you, consider the facts and respond to you within 15 business days. If we need more information or more time to respond properly to your complaint we will contact you to agree an appropriate timeframe to respond.
- If you are not satisfied with the resolution, then your complaint will be referred to the Dispute Resolution Officer.

We will send you our final decision within 45 days from the date you first made your complaint.

We expect our procedures will deal fairly and promptly with your complaint. However, if you are not satisfied with our final decision you can choose to have the matter resolved externally – with the Financial Ombudsman Service Ltd (FOS). This is an independent body and its services are free to you. As a member we agree to accept the FOS's decision.

You can contact the FOS by:

Mail: Financial Ombudsman Service Ltd,
GPO Box 3, Melbourne, Victoria 3001

Telephone: 1300 78 08 08

Fax: +61 3 9613 6399

Website: www.fos.org.au

Email: info@fos.org.au

Important Information (cont'd)

General Insurance Code of Practice

Calliden is a signatory to the General Insurance Code of Practice (the Code). The Code aims to raise standards of service between insurers and their customers. Calliden's service standards are in accordance with the Code.

For any information about the Code, including a copy of the Code, contact us or the Financial Ombudsman Service on 1300 78 08 08 or visit www.codeofpractice.com.au

Cost of your Policy

The amount that we charge you for this insurance when you first acquire your Policy is called the premium. The total cost of your Policy is shown on your Policy schedule.

Taxation Information

All references in this Policy to dollar amounts and the Contract price are inclusive of Goods and Services Tax (GST).

If you are not registered for GST in the event of a claim we will reimburse you the GST component in addition to the amount that we pay. The amount that we are liable to pay under this Policy will be reduced by the amount of any input tax credit that you are or may be entitled to claim for the supply of goods or services covered by that payment.

If you are entitled to an input tax credit for the premium, you must inform us of the extent of that entitlement at or before the time you make a claim under this Policy. We will not indemnify you for any GST liability, fines or penalties that arise from or are attributable to your failure to notify us of your entitlement (or correct entitlement) to an input credit on the premium.

If you are liable to pay an excess under this Policy, the amount payable will be calculated after deduction of any input tax credit that you are or may be entitled to claim on payment of the excess.

Definitions

Some key words and terms used in this **Policy** have special meanings. Wherever the following words or terms are used in the **Policy** they mean what is set out below.

Act means the Building Act 1993 as amended from time to time.

Application means the application form completed by the **Builder** applying for this insurance.

Builder is the builder described in the **Application** provided the builder is a builder under the **Order**.

Building Practitioners Board means the same as it does in the **Order**.

Certificate of Insurance means the most recent certificate issued by **us**.

Commencement Day means the same as it does in the **Order**.

Competition and Consumer Provision means the same as it does in the **Order**.

Completion Date means the same as it does in the **Order**.

Contract means the **Insurable Domestic Building Contract** between **you** and the **Builder** pursuant to which the **Work** is being, or is about to be, carried out.

Defective means the same as it does in the **Order**.

Developer means the same as it does in the **Order**.

Disappearance (and its corresponding forms) means the same as it does in the **Order**.

Domestic Building Work means the same as it does in the **Order**.

Dwelling means the home (as defined in the **Order**) described in the **Application**.

Insolvent (and its corresponding forms) means the same as it does in the **Order**.

Insurable Domestic Building Contract means the same as it does in the **Order**.

Non-Structural Defect means the same as it does in the **Order**.

Order means the Order made under the **Act** by the Minister for Planning and as gazetted in May 2003 entitled 'Domestic Building Insurance Ministerial Order'.

Policy means this policy wording, any endorsements and the **Certificate of Insurance**.

Statutory Warranty means a warranty implied into the **Contract** by section 8 of the Domestic Building Contracts Act 1995.

Structural Defect means the same as it does in the **Order**.

Structural Element means the same as it does in the **Order**.

Tribunal means the same as it does in the **Order**.

Work means the **Domestic Building Work** which is carried out or to be carried out by the **Builder** to the **Dwelling** under the **Contract**.

We/us/our means Calliden Insurance Limited (Calliden) (ABN 47 004 125 268, AFSL 234438)

You/your/yours means the person described in the **Application** as the owner of the building or land in respect of which the **Work** is or was being carried out, any successor in title to that person, and any other person who becomes entitled to the benefit of the **Statutory Warranties**.

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

Our Cover

We will provide insurance cover to **you**, subject to the terms, conditions and exclusions set out in this **Policy**, if the **Builder** dies, becomes **Insolvent**, or **Disappears** and **you** suffer:

- a) loss or damage resulting from non- completion of the **Work**;
- b) loss or damage resulting from **Defective Work**;
- c) loss or damage arising from a breach of a **Statutory Warranty**;
- d) loss or damage resulting from a failure of the **Builder** to maintain a standard of quality of work specified in the **Contract**;
- e) loss or damage resulting from conduct by the **Builder** in connection with the **Contract** that contravenes a **Competition and Consumer Provision**;
- f) the loss of a deposit or progress payment under the **Contract**; and
- g) the costs of alternative accommodation, removal and storage that are reasonably and necessarily incurred as a result of an event referred to in paragraphs a), b), c), and d) above. **We** will only pay the costs of alternative accommodation or storage that are reasonably and necessarily incurred for up to 60 days, excluding any period of delay attributable to **us**.

The cover **we** give in paragraphs a) to g) above extends to the acts or omissions of all persons contracted by the **Builder** to perform the **Work**.

Certificate of Insurance

- a) **We** must provide a **Certificate of Insurance** evidencing that insurance for the **Work** has been issued which complies with the **Order**:
 - i. to **you** immediately on the issue of this **Policy**; and
 - ii. on request by **you** or the **Builder** at any time.
- b) The **Certificate of Insurance** shall be in the form prescribed by the **Order**.

- c) Even though **you** or another person who applies for this insurance may be required to pay the premium when lodging an **Application**, **we** may refuse to accept the **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**.

Period of Cover

- a) This **Policy** provides the cover in relation to **Non-Structural Defects** in respect of loss or damage occurring during the period commencing on the **Commencement Day** and ending 2 years after the earlier of:
 - i. the **Completion Date** of the **Contract**; and
 - ii. the date of termination of the **Contract**.
- b) Subject to paragraph a) above, this **Policy** provides the cover in respect of all other loss or damage occurring during the period commencing on the **Commencement Day** and ending 6 years after the earlier of:
 - i. the **Completion Date** of the **Contract**; and
 - ii. the date of termination of the **Contract**.

We Will Pay

1. **We** will pay up to, but not more than \$200,000 in the aggregate, for all claims made under this **Policy** in respect of any one **Dwelling**, including reasonable legal costs and expenses incurred by **you** associated with a successful claim against **us**.
2. If the claim is in respect of the cover for loss or damage resulting from conduct of the **Builder** that contravenes a **Competition and Consumer Provision**, **we** will only pay the costs of rectifying the **Work**.
3. If the **Work** is carried out on land in a plan of subdivision containing common property, any claim paid by **us** relating to the common property is applied pro rata to all such residences, and reduces **your** remaining available cover accordingly.
4. If the claim is in respect of the cover for 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**.

Our Cover (cont'd)

We Will Not Pay

1. Subject to paragraph 2 below, **you** must bear at **your** own risk:
 - a) the first \$1,000 of each claim first made more than 5 years after the **Completion Date**;
 - b) the first \$750 of each claim first made between 3 and 5 years after the **Completion Date**;
 - c) the first \$500 of each claim first made between 1 and 3 years after the **Completion Date**; or
 - d) a claim under \$500 made between 3 and 12 months after the **Completion Date**.
2. For the purposes of paragraph 1 above:
 - a) a claim of \$500 or more may relate to more than one defect if the amount claimed for any one or more defects is less than \$500.
 - b) The date when a claim is made is the earlier of:
 - i. the date when **you** first notify **us** of a circumstance that may give rise to a claim; and
 - ii. the date a claim is made.
 - c) An excess may be applied only once in relation to:
 - i. any claim comprising more than one defect; or
 - ii. two or more claims that relate to the same defect.

Exclusions

- a) **We** will not pay if **you** are the **Builder**.
- b) **We** will not pay if **your** claim relates to a person who is excepted under the **Order**.
- c) **We** will not pay any claims for penalties, fines, liquidated damages or other sums relating to delay on the part of the **Builder**, except to the extent that such amounts represent the increase in rectification costs caused by the effluxion of time.
- d) **We** will not pay any claims for money paid to the **Builder** that exceeds the amounts that should have been paid in accordance with section 11 of the Domestic Building Contracts Act 1995, and as the case requires, sections 40(2), 40(3), or 40(4) of that Act.
- e) Subject to **your** right to recover any money paid to the **Builder** in relation to the **Contract** and **your** reasonable costs and expenses incurred in relation to the **Contract**, **we** will not pay any claims for the cover for non-completion of the **Work** if the **Builder** dies, becomes **Insolvent** or **Disappears** before the **Builder** commences the **Work** (other than the removal of vegetation) that requires the use of any tools or building materials.
- f) If **you** are also a **Developer**, **we** will not pay any claims for non-completion of the **Work**.
- g) **We** will not pay for loss or damage in respect of **Work** relating to landscaping, paving, retaining structures, driveways or fencing, with the exception of such works which:
 - i. are integral to the construction of a building,
 - ii. require the issue of a building permit under the **Act**,
 - iii. could result in water penetration of or within a building;
 - iv. could adversely affect health or safety;
 - v. adversely affect the structural adequacy of a building; or
 - vi. are not completed and the **Builder** has died, become **Insolvent** or **Disappeared**.
- h) **We** will not pay for loss or damage due to fair wear and tear of the **Work**, or from **your** failure to maintain the **Work**.
- i) **We** will not pay for loss, damage, consequential loss, cost or expense, disablement or liability, directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with:
 - i. war, invasion, acts of foreign enemies, hostilities, or war-like operations (whether war be declared or not) or civil war;

Exclusions (cont'd)

- ii. mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, military or usurped power, confiscation, nationalisation, requisition, or destruction of or damage to property by or under order of any government, public or local authority or looting, sacking or pillage following any of the above.
- iii. nuclear reaction, nuclear radiation, radioactive contamination or nuclear weapon material;
- iv. risks normally insured under a policy for public liability or contract works,
- v. asbestos, or any materials containing asbestos in whatever form or quantity.
- vi. an act of God or nature,
- vii. **Your** failure to maintain appropriate protection against pest infestation or exposure to natural timbers,
- viii. consequential loss, not otherwise covered by the **Order**,
- ix. malfunction in any mechanical or electrical equipment or appliance, if **we** prove that the malfunction is not attributable to the workmanship of, or installation by the **Builder**.

Claims Procedure

1. **You** should notify **us** of any facts or circumstances which may give rise to a claim as soon as **you** become aware of them to ensure that **you** comply with the requirements set out in paragraphs 2 below.
2. **We** may refuse to accept a claim if it is made later than 180 days after the date on which **you** first became aware, or might reasonably be expected to have become aware, of the death, **Disappearance** or **Insolvency** of the **Builder**.
3. If **you** give **us** written notice within 180 days after the date on which **you** first became aware, or might reasonably be expected to become aware, of the death, **Disappearance** or **Insolvency**, of the **Builder**, **we** will not rely on section 54 of the Insurance Contracts Act 1984 to reduce **our** liability under this **Policy**, or to reduce any amount otherwise payable in respect of a claim made by reason only of a delay in a claim being notified to **us**.
4. If **you** submit a claim to **us** in writing, **we** will make a decision regarding **our** liability within 90 days of receipt of the claim. If **we** do not make a decision regarding **our** liability within 90 days then, unless **we** receive an extension of time from **you** or the **Tribunal**, **we** will be deemed to have accepted liability for the claim.
5. If **you** wish to dispute **our** decision regarding **your** claim, **you** may appeal to the **Tribunal**. If **we** are given notice of proceedings before the **Tribunal**, **we** will accept findings made by the **Tribunal** as to whether any of the following events has occurred:
 - a) the non-completion of the **Work**;
 - b) an event referred to in paragraphs a) to g) under the section of the **Policy** entitled 'Cover'; and
 - c) if such an event has occurred, the amount of loss or damage suffered by **you** as a result of the event.
6. If **you** notify **us** of a defect (the initial defect), **we** will consider **you** to have given **us** notice of every other defect to which the initial defect is directly or indirectly related, whether or not the claim in respect of the initial defect is settled.
7. **You** must use **our** claim form to make a claim.
8. Upon making a claim under this **Policy**, **you** must:
 - a) comply with any reasonable direction by **us** in relation to the completion or rectification of the **Work**;
 - b) not undertake or cause to be undertaken, any rectification work without notifying **us**, unless those works are reasonably necessary to prevent or minimise any further loss or damage;
 - c) provide **us**, or any builder nominated or approved by **us**, with reasonable access to the relevant building site for the purpose of inspection, rectification and completion of the **Work**. **You** may refuse to provide access to any builder nominated by **us** if **you** have reasonable grounds for doing so (such as loss of confidence in the builder); and

Claims Procedure (cont'd)

- d) **We** may not reduce our liability to **you** by reason of **your** failure to comply with a requirement under paragraphs 5 a), b) and c) above, unless **we** can prove that **your** failure increased **our** liability under this **Policy**.
9. **You** must not make any admissions, offer, promise or payment in connection with any claim.

Conditions

- a) **We** may not avoid this **Policy** or refuse to make or reduce any payment under this **Policy** on the grounds that:
- i. the **Builder** breached any duty of the utmost good faith;
 - ii. the **Builder** failed to comply with any duty of disclosure;
 - iii. the **Builder** made representations to **us**;
 - iv. the **Builder** failed to comply with a provision or requirement of the **Policy**;
 - v. the **Builder** prejudiced **our** interests by act or omission of any description; or
 - vi. the premium or any instalment of the premium has not been paid.
- b) **We** are entitled to recover from the **Builder** any claim paid by **us** in the circumstances referred to in paragraph a) above.
- c) 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**.
- d) **We** will notify the **Building Practitioners Board**, at the times and in the manner agreed with the Board, in the event that:
- i. a **Builder** is refused insurance, ceases to be eligible to renew or procure insurance or, in respect of **Domestic Building Work** performed prior to the commencement of the **Order**, fails to purchase or maintain required insurance;
 - ii. any claim under this **Policy** is settled or paid by agreement or otherwise.
- e) **You** must not limit or exclude **your** rights against a party from whom **you** might otherwise be able to recover in respect to the loss or damage. If **you** do, **our** liability to **you** is reduced to the extent **we** can no longer recover from that other party as a result of the limitation or exclusion by **you**.
- f) 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 anyone except **you**.
- g) **You** must take reasonable precautions to avoid or minimise loss or damage covered by this **Policy**.
- h) **You** must comply with **your** obligations under the **Policy**. Otherwise **we** may not have to pay **your** claim(s).

Other Matters

Jurisdiction

This **Policy** is governed by the law of Victoria. The law of Victoria 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.

How We Will Communicate

- a) **All** communications **you** are required to give or make under this **Policy** must be sent in writing to **us**.
- b) All communications **we** are required to give or make under this **Policy** will be sent in writing to **you** at the address specified in the **Certificate of Insurance** or as notified by **you** from time to time.
- c) All communications sent by post to **you** or **your** appointed agent will be deemed to have been received by **you** on the third day following the day of posting.
- d) All communications sent by facsimile to **you** or **your** appointed agent will be deemed to have been received by **you** on the date of transmission.



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