

RESIDENTIAL BUILDERS

UNDERWRITING AGENCY



POLICY WORDING

HOME INDEMNITY
INSURANCE
- WESTERN
AUSTRALIA

Welcome to the financial security provided by RBUA Home Indemnity Insurance - Western Australia Policy Wording

This product is issued by Great Lakes Reinsurance (UK) SE (ARBN 127 740 532, ABN 18 964 580 576, AFSL 318603) trading as Great Lakes Australia ('Great Lakes Australia'). The information in this booklet is current at the date of preparation.

This product is distributed by Residential Builders Underwriting Agency Pty Ltd (ABN 55 604 481 521, AFSL 477528) ('RBUA') 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
1300 130 247.

TABLE OF CONTENTS

RBUA HOME INDEMNITY INSURANCE - WESTERN AUSTRALIA POLICY WORDING

Important Information	02
The Insurer	02
The Agent	02
Duty of Disclosure	02
Limitation or Exclusion of Rights Against Third Parties	02
Interested Parties	02
Cost of Your Policy	02
Taxation Information	02
Privacy	03
Our Agreement With You	03
Dispute Resolution Process	03
General Insurance Code of Practice	04
Definitions	04
Our Cover	05
Certificate of Insurance	05
Period of Cover	05
We Will Pay	05
We Will Not Pay	05
Exclusions	05
Claims Procedure	06
Conditions	06
Other Matters	06
Jurisdiction	06
How We Will Communicate	06

IMPORTANT INFORMATION

The Insurer

This insurance is underwritten by Great Lakes Reinsurance (UK) SE (ARBN 127 740 532, ABN 18 964 580 576, AFSL 318603) trading as Great Lakes Australia ('Great Lakes Australia'). Great Lakes Australia is an authorised Australian insurer, regulated by the Australian Prudential Regulation Authority ('APRA'). Great Lakes Australia is a branch office of Great Lakes Reinsurance (UK) SE, a limited liability company incorporated in England and Wales and a wholly owned subsidiary of Münchener Rückversicherungs-Gesellschaft AG ('Munich Re'), part of Munich Re (Group).

If you require further information about this insurance or wish to confirm a transaction, please contact RBUA.

Great Lakes Australia's contact details are:

Postal Address: PO Box H35, Australia Square, Sydney, NSW 1215

Street Address: 143 Macquarie Street, Sydney, NSW 2000

Tel: (02) 9272 2050

Website: www.gla.com.au

The Agent

Residential Builders Underwriting Agency Pty Ltd (ABN 55 604 481 521, AFSL 477528) ('RBUA') arranges policies for and on behalf of Great Lakes Australia.

RBUA acts under a binding authority given to it by the insurer to administer and issue policies and alterations. In all aspects of arranging this policy, RBUA acts as an agent for the insurer and not for you.

If you have any queries in relation to your policy, you can contact RBUA in any of the following ways:

Postal Address: Level 9, 11-33 Exhibition Street, Melbourne VIC 3000

Tel: 1300 130 247

Fax: 1300 662 215

Email: warranty@rbua.com.au

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, or
- 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.

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.

IMPORTANT INFORMATION (CONT'D)

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.

Privacy

In this Privacy section 'we', 'us' or 'our' means Great Lakes Australia and RBUA, unless specified otherwise.

We are committed to the safe and careful use of your personal information in the manner required by the *Privacy Act 1988* (Cth) and the Australian Privacy Principles.

We collect your personal information in order to assess your application for insurance and, if your application is accepted, to administer and manage your policy and respond to any claim that you make. To do this, your personal information may need to be disclosed to reinsurers and service providers and related entities who carry out activities on our behalf, such as assessors and facilitators, some of whom may be located in overseas countries. Our contractual arrangements generally include an obligation for these reinsurers, service providers and related entities to comply with Australian privacy laws.

By providing us with your personal information, you consent to the disclosure of your personal information to reinsurers, service providers and related entities in overseas countries to enable us to assess your application, to administer and manage your policy and to respond to any claim that you make. If you consent to the disclosure of your personal information to overseas recipients, and the overseas recipient handles your personal information in a way other than in accordance with the Australian privacy laws, we may not be responsible for the handling of your personal information by the overseas recipient.

If you choose not to provide your personal information and/or choose not to consent and/or withdraw your consent to the disclosure of your personal information at any stage, we may not be able to assess your application or administer and manage your insurance policy and respond to any claim that you make.

Our Privacy Policies contain information on how you may access personal information that each of us hold, or seek correction of your personal information and information on how to make a complaint about the handling of your personal information and how complaints are handled. If you require more information, you can access the Great Lakes Australia Privacy Policy and Privacy Statement at www.munichre.com/io/gla/en/privacy_statement.aspx. You can also download a copy of RBUA's Privacy Policy by visiting www.steadfastagencies.com.au

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 are not satisfied with our service please tell us so we can help. We will address complaints in accordance with Great Lakes Australia's Complaints Handling Process and the Insurance Council of Australia's Code of Practice.

If you have a complaint:

Step 1: Contact us

You can contact us by:

Postal Address: Great Lakes Australia Service Feedback, GPO Box 348, Milsons Point, NSW 1565

Tel: 1300 729 935

Fax: 1300 662 215

Email: servicefeedback@gla.com.au

If we require additional information we will contact you to discuss. If your complaint is not immediately resolved we will respond within 15 business days of receipt of your complaint or agree on a reasonable alternative timetable with you.

Step 2: Internal Dispute Resolution

If you are not satisfied with our response you may refer it in writing to our Internal Dispute Resolution panel, which is independent of the original complaint review. The panel will respond within 15 business days. If the panel cannot respond within 15 business days, the panel will agree a reasonable alternative timetable with you.

General Insurance Code of Practice

Great Lakes Australia 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. Great Lakes Australia'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 Australia on 1800 367 287 or visit www.codeofpractice.com.au

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 Home Building Contracts Act 1991 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 **Act**.

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

Contract means the contract between **you** and the **Builder** pursuant to which the **Work** is performed, or is to be performed, provided the contract is a **Residential Building Work Contract** or a **Home Building Work Contract**.

Cost of the Work means the cost of the **Work** within the ambit of sections 25A, 25D(2) and 25D(3) of the **Act**.

Cost Plus Contract means the same as it does in the **Act**.

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

Disappearance means cannot be found after due search and enquiry.

Dwelling means the building described in the **Application**.

Home Building Work Contract means the same as it does in the **Act**.

Insolvency means the same as it does in the **Act**.

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

Residential Building Work means the same as it does in the **Act**.

Residential Building Work Contract means a contract, other than a **Cost Plus Contract**, between the **Builder** and the person on whose behalf the **Work** is performed for the performance by the **Builder** of **Work**, but does not include a contract for the performance by the **Builder** of **Work** for another builder who is in turn obliged to perform the **Work** under another contract.

We/us/our means Great Lakes Reinsurance (UK) SE (ARBN 127 740 532, ABN 18 964 580 576, AFSL 318603) trading as Great Lakes Australia ('Great Lakes Australia')

Work means the **Residential Building Work** which is to be performed by the **Builder** or on the **Builder's** own behalf to the **Dwelling** under the **Contract**.

You/your/yours means the person on whose behalf the **Work** is performed or is to be performed, and any successor in title to that person.

OUR COVER

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**.

We will provide insurance cover to **you**, subject to the terms, conditions and exclusions set out in this **Policy**, if by reason of the **Insolvency**, death or **Disappearance** of the **Builder**, **you** suffer:

- a) loss or damage (other than indirect, incidental or consequential loss or damage) resulting from non-completion of the **Work**;
- b) loss or damage resulting from **your** inability to pursue a remedy in respect of the **Work** under section 12A of the Builders' Registration Act 1939;
- c) the loss of any amount paid by way of a deposit for the **Work**.

Certificate of Insurance

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**.

EXCLUSIONS

- a) **We** will not pay if **you** are the **Builder**.
- b) **We** will not pay if **you** are a **Developer**.
- c) **We** will not pay if **your** claim relates to **Residential Building Work** which is exempted under the **Act**.
- d) **We** will not pay any claim if the **Cost of the Work** is \$20,000 or less.
- e) **We** will not pay any claim in respect of indirect, incidental or consequential loss or damage resulting from non-completion of the **Work**.
- f) **We** will not pay any claim for loss of an amount paid by way of a deposit for the **Work** if, under the **Contract**, the **Builder** was entitled to receive from **you**:
 - i. before the commencement of the **Work**, a deposit of more than 6.5 percent of the total amount payable under the **Contract** (or payment which is not of a prescribed kind);
 - ii. after the commencement of the **Work**, any payment which is not a genuine progress payment for **Work** already performed or materials or services already supplied (or payment which is not of a prescribed kind).
- g) **We** will not pay any claim for loss of a deposit or any claim resulting from non-completion of the **Work** due to the **Insolvency**, death or **Disappearance** of the **Builder** if the **Contract** for the **Work** is a **Cost Plus Contract**.

Period of Cover

This **Policy** provides the cover for claims in respect of the **Work** which are made before the expiration of the 6 year period after practical completion (as defined under the **Act**) of the **Work**.

We Will Pay

1. **We** will pay up to, but not more than \$100,000 (or such other amount prescribed under the **Act**), or the **Cost of the Work** in the aggregate, for all claims in relation to the **Work**, whichever is the lesser.
2. **We** will pay up to, but no more than \$20,000 (or such other amount prescribed under the **Act**) for any amount paid by way of a deposit for the **Work**.

We Will Not Pay

You must pay the first \$500 of each claim.

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.
2. **We** do not have to pay a claim unless it is made before the expiration of the 6 year period from the day of practical completion (as defined under section 11 of the **Act**) of the **Work**.
3. Upon making a claim under this **Policy**, **you** must give **us** any assistance, information or documents which **we** request. This includes giving **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.
4. **You** must use **our** claim form to make a claim.
5. **You** must not make any admissions, offer, promise or payment in connection with any claim.

CONDITIONS

- a) **We** are not entitled to avoid liability under this **Policy** for failure to comply with the duty of disclosure or misrepresentation by the **Builder** or, in the case of a claim by a successor in title, by the person on whose behalf the **Work** was performed.
- b) **We** are entitled to recover from the **Builder** any claim paid by **us** in the circumstances referred to in paragraph a) above.
- c) **You** must comply with **your** obligations under the **Policy**. Otherwise **we** may not have to pay **your** claim(s).
- d) 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**.
- 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**.

OTHER MATTERS

Jurisdiction

This **Policy** is governed by the law of Western Australia. The law of Western Australia 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.

Residential Builders Underwriting Agency Pty Ltd ('RBUA')
ABN 55 604 481 521, AFSL 477528

Level 9, 11–33 Exhibition Street
Melbourne, VIC 3000
Ph 1300 130 247, Fax 1300 662 215

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