

# Single Project Policy Wording



## ABOUT MECON WINSURE INSURANCE GROUP PTY LTD

The MECON Winsure Insurance Group (MECON Winsure) A.B.N. 29 059 310 904 and AFSL No. 253106, has established a professional insurance service to consumers who are exposed to risks of an engineering nature. MECON Winsure specialises in providing tailored insurance solutions for engineering risks including construction project activities and contractors plant and equipment operation. MECON Winsure offers a range of easily understood policies and extensions that are available to meet your requirements.

MECON Winsure has been founded on the principles of simplicity, integrity, service and innovation - all supported by experienced and knowledgeable staff.

If you would like any further information about MECON Winsure, please visit our website [www.meconwinsure.com.au](http://www.meconwinsure.com.au) or contact our customer service staff at [customerservice@mecan.com.au](mailto:customerservice@mecan.com.au) or by phoning (02) 9252 1040.

## IMPORTANT INFORMATION

### Your Insurance Policy Information

Your insurance Policy is made up of:

- The terms contained on pages 2 to 8 inclusive.
- The Schedule (this also tells you who the insurer is).
- Any endorsement or notice we give you in writing.
- Your submissions from you or on your behalf whether verbal or in writing.

We have provided information in this document to assist you to manage the risks associated with the property and liability which may be insured under the Policy.

The information we have provided is for assistance to you and does not form a part of the Policy.

The risk management tips that appear below are provided to assist you to prevent loss or damage and are solely based upon our claims experience. The tips do not take into account your individual circumstances and are not based upon any safety research or risk management knowledge we possess, therefore you should not rely on these tips to manage your risk exposure. For risk management advice please contact Workcover or your risk management adviser. Your risk management adviser may wish to use MECON Winsure's tips to assist them in advising you.

### Protection of your interests

Over the years, a number of legislative and industry reforms have been introduced that protect the rights of consumers and assist them in their dealings with insurance companies. An example of some of the more important reforms are contained in the:

- Insurance Contracts Act 1984
- Privacy Act 1988
- Terrorism Insurance Act 2003
- General Insurance Code of Practice

Please refer to page 11 for further information.

### Your Responsibilities

The Insurance Contracts Act requires:

- you to make certain disclosures, and
- both you and the insurer to act with the Utmost Good Faith in relation to, or under, the contract of insurance.

Please refer to page 11 for further information on your Duty of Disclosure and the principle of Utmost Good Faith.

### Risk Management Tips

This is a brief outline of some of the risks that commonly give rise to claims under construction and liability policies. It is provided purely to assist you identify and manage some of the risks which may be associated with your project and does not form a part of your policy. To reduce the risk of suffering injury, loss or damage, you should:

#### Bodily Injury

Restrict access to your work area to relevant site staff only. Ensure walkways are kept clear of debris and ensure floor and wall penetrations are properly guarded to prevent people falling from height. Check pavements and roads immediately adjacent to the site at least before you leave each night. Ensure overhead power-lines are highlighted and all persons operating plant and equipment, which has the ability to contact the power-lines, are aware of power-line location. Ensure **all** incidents of injury on site are carefully recorded and detailed no matter how trivial they may seem at the time. If you are not the principal or head contractor on site, before you finally handover your work and/or leave the site, ensure you check with the appropriate person on site as to whether you, your work, your equipment or your materials may have been involved in any incidents of injury on the site. If possible, have them put their advice in writing for your records. Always keep details of the people who advised you and your discussion with them in this regard.

### Environmental Nuisance

Monitor and control dust, noise and vibration within acceptable limits. If you receive complaints from surrounding properties, do not ignore them.

### Practical Completion

For all Australian Standard Construction Contracts, at 4.00pm on the date a Certificate of Practical Completion, or Occupancy Certificate is issued, the risk of damage to property being constructed transfers from the contractor / builder to the owner / principal. From that time the owner/principal assumes the responsibility for the risk including its insurance.

### Principal Supplied Materials

(Sometimes referred to as "free issue" material).

Such materials are not included in the project value (or contract price). If such material is to be included in the project, ensure you have adequately allowed for it in Item 1.03.

### Occupational Health & Safety

Understand the implications, and observe the requirements of, Occupational Health and Safety legislation in your State relevant to your business. An Act of Parliament governs your OH&S obligations and it applies to everyone in business.

Refer to <http://safeworkaustralia.gov.au/Pages/default.aspx> for further information.

### Operating Plant

When operating plant, strictly adhere to all manufacturer's guidelines and instructions. Never use plant outside its design parameters. In situations where use of plant creates ground vibration, ensure surrounding property is checked for existing damage before you start work and after you finish. Undertake dilapidation or condition reports on surrounding property before work commences.

### Theft

Ensure tools which cannot be removed from the site each day are stored in a securely locked container. If practical, fit back-to-base alarms on site, install cameras to monitor site, employ security and check site gates are securely locked each night. Double your vigilance as fit-out occurs. Simple precautions may include removing visible containers or cartons from the site – particularly those which contained white goods and other valuable items (If you leave these items in view, thieves know what a site is likely to yield). If possible, fit white goods and entertainment

equipment hardware close to Practical Completion, or when the project is due for occupancy. Remove oven doors, stove knobs, dishwasher racks, microwave turntables, fridge racks and drawers from the site and reinstall them when building is occupied. Fill water tanks with water as soon as they are installed. Theft of copper pipe and cabling is rampant. Consider security guard patrols on small sites or permanent after-hours attendance on large sites once switch-boards and cabling have been installed (Often the cost of delay in project completion caused by damage done by thieves can be greater than the material loss).

### Underground Services

Always locate the exact position of underground services on site. Some methods available include phoning Dial Before You Dig www.1100.com.au use of acoustic (water pulse), hydro vacuum excavation, ultrasound, magnetic field detection, using an authority's plans, and potholing. Always use manual methods of digging to locate and uncover services. Never locate or uncover services with mechanical excavators.

### Uninsured Risks

If you have any doubt whether any part of a project is insured by the policy, seek the advice of MECON Winsure or your insurance adviser.

### Weather

If the project is susceptible to damage by weather, ensure you consider historical weather patterns and current forecasts in the area and plan work and precautions accordingly.

### Welding / Hot Work

Familiarise yourself with, and employ precautions as detailed in, AS1674-1-1997 Safety in Welding and Allied Processes – copies of which are available via the Standards Australia website www.standards.com.au.

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## GENERAL INFORMATION

### Headings

The headings of clauses in this Policy are for reference purposes only.

### GST

GST, Input Tax Credit (ITC), Business Activity Statement (BAS) and Acquisition have the same meaning given to those terms in A New Tax System (Goods and Services Tax) Act 1999 and related legislation. Taxable Percentage (TP) is your entitlement to an ITC on the premium expressed as a percentage.

The premium for this Policy includes an amount of GST. You must advise your correct Australian Business Number and TP to MECON Winsure. Any GST liability resulting from incorrect advice is payable by you. When MECON Winsure pays a claim, your GST status will determine the GST amount MECON Winsure pays.

When you are not registered for GST, the sums insured and limits of liability in the Policy include GST and MECON Winsure will pay your claims inclusive of GST. When you are registered for GST, the sums insured and limits of liability in the Policy exclude GST and MECON Winsure will pay your claims excluding GST unless you are liable to pay GST for a "relevant Acquisition" (such as goods and services to repair a damaged item insured by the Policy) and MECON Winsure pays the supplier directly for such goods and services, in which case MECON Winsure will also pay the GST amount.

MECON Winsure will reduce the GST amount it pays by the amount of any ITC to which you are, or would be, entitled if you made a "relevant Acquisition", in which case, the ITC may be claimable through your BAS. When settlement of any claim is less than the total amount claimed, MECON Winsure will only pay the amount of GST (less your entitlement for ITC) applicable to the settlement amount.

### Basis of Agreement

If you have fulfilled your Duty of Disclosure and observed the principles of Utmost Good Faith, then, upon payment of the required Premium, MECON Winsure will insure you during the Period of Insurance in the manner and to the extent specified in the Policy.

The insurance coverage provided by the Policy takes in to account the answers provided in the Proposal Form or disclosed elsewhere to MECON Winsure at the time this insurance was arranged. These answers and disclosures are called 'material facts'. Should you wish to alter a material fact, you must do so in writing and the alteration will only apply if MECON Winsure writes to you and confirms that the alteration is acceptable.

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# GLOSSARY OF TERMS USED

*(Please read the Glossary first. This will help you to understand the Policy).*

**'Aircraft'** means any craft intended to float in or travel through air or space.

**'Business'** means performance and administration of the Project. It also includes operations incidental to the performance of the Project such as the occupation of temporary premises; the operation of any canteen or other facility for the benefit of Employees; internal first aid services; fire brigade services and the like.

**'Deductible'** is an amount deducted from an insured loss. The insurance only covers loss in excess of that amount. You have to bear the deductible amount.

**'Defects Liability Period'** means the lesser of the period specified in the Schedule and the period specified in the contract for the Project. During the Defects Liability Period, cover under Section One of the Policy is limited to loss or damage:

- a. that you cause to the Project while rectifying defects; or
- b. that happens to the Project during the Defects Liability Period but was caused by an event during the physical performance of the Project and prior to Practical Completion.

If Section Two of this Policy is in effect, cover under that Section during the Defects Liability Period is limited to liability arising out of Personal Injury or Property Loss that you caused while rectifying defects.

Where there is no formal agreement between principal and contractor for a Defects Liability Period, the Defects Liability Period for the purpose of this insurance is nil.

**'Employee'** means any person engaged by you under a contract of service or apprenticeship. This includes both statutory and common law employees.

**'Major Hazard'** means loss or damage resulting from fire, Storm, Flood, rain, water, landslip, erosion, earthquake, volcanic action, tsunami, subsidence or collapse.

**'Market Value'** means cost of replacing lost or damaged property with property of similar age, condition and capacity. This includes any necessary installation and commissioning costs.

**'MECON Winsure'** means the MECON Winsure Insurance Group Pty Ltd [ABN. 29 059 310 904 and AFSL No. 253106].

**'Minor Hazard'** means loss or damage resulting from any cause other than a Major Hazard.

**'Occurrence'** means an event that you neither expect nor intend. It includes any continued or repeated exposure of people or property to conditions that are generally the same.

**'Period of Insurance'** means period shown as such in the Schedule, except it does not begin until the Project starts and it does not continue after Practical Completion. The Defects Liability Period (if applicable) will then follow.

Notwithstanding the above, for Section One, the Period of Insurance for each part of the Project will end at the time the part attains Practical Completion or is taken over by the principal or put into service, whichever occurs first. This will be so even if the Project as a whole has not yet attained practical completion. The Defects Liability Period (if applicable) for that part will immediately follow.

**'Personal Injury'** means:

- a. bodily injury, death, sickness, disease, shock, fright, mental anguish or mental injury;
- b. false arrest, false detention, wrongful imprisonment, or malicious prosecution;
- c. defamation;
- d. wrongful entry or wrongful eviction or other invasion of privacy; or
- e. assault committed by any of your Employees while engaged in the Business, but not if the assault was committed at your direction for any reason other than to avoid or reduce harm to people or property.

**'Practical Completion'** means:

- a. stage at which the Project is complete except for minor omissions and defects that do not prevent it from being reasonably capable of use for its intended purpose; or
- b. where the Project is subject to issue of a Certificate of Practical Completion or an Occupancy Certificate or equivalent, the date upon which the certificate or permit is issued, or would have been issued but for reasons that do not involve construction work.

**'Product'** means anything that you have manufactured, grown, extracted, produced, processed, sold, supplied, distributed, repaired, serviced, treated, installed, assembled, erected or constructed in the course of the Business. This includes any packaging and containers. However, none of these things is deemed to be a Product until after it has left your physical custody and legal control.

**'Project'** means the project covered by this insurance. Depending on context, it includes the performance of work on the project and all property and labour incorporated or to be incorporated in the completed project.

For the avoidance of doubt, a 'project covered by this insurance' is one having a Project Value up to, but not exceeding, the aggregate sums insured for Items 1.02 (Maximum Project Value) and 1.06 (Variations and Escalations).

**'Project Value'** means the contract price or, if the work is not performed under contract, the cost that would reasonably have been incurred at commercial rates had the work been performed under contract.

**'Property Loss'** means physical loss of or damage to tangible property resulting from an Occurrence. It includes consequent loss of use of the property.

**'Public Liability'** is the name given to cover under Section Two of this Policy.

**'Schedule'** means Schedule of Cover attaching to and forming part of this Policy.

**'Territorial Limit'** means the territorial limit shown as such in the Schedule.

**'Vehicle'** means any type of machine on wheels or on self-laid tracks made or intended to be propelled other than by manual or animal power and any trailer made or intended to be drawn by, or attached to, any such machine.

**'Watercraft'** means anything intended to float or travel on, through or under water.

**'you'** and its derivatives means you in your capacity as an insured entity under this Policy, and who is named as such in the Schedule.

Section One of this Policy also insures the principal named as such in any contract for the performance of the Project, but only to the extent of its joint interest in the Project. Accordingly, 'you' also means the principal where necessary for that purpose.

Section Two of this Policy also insures the following parties as beneficiaries under this Policy.

- a. any of your directors or Employees while acting within the scope of their duties as such.
- b. the principal named as such in any contract for the performance of the Project, but only for its liability as principal.
- c. any office bearer or member of any of the following organisations formed with your consent:
  - i. any canteen operated for the benefit of your Employees; and
  - ii. any first aid or fire brigade service;but only while the office bearer or member is acting in their capacity as such.

Accordingly, 'you' also means any of the above where necessary to give effect to the insurance.

Each party insured under Section Two of this Policy will be insured as if a separate policy had been issued to each. Accordingly, each party will be insured for their liability to any other party. However, this does not increase any Limit of Indemnity. A Limit of Indemnity applies to all of the insured parties collectively (This paragraph or its equivalent is known as a 'Cross Liability' clause).

Liquidators, receivers and the like are not insured under this Policy and neither is any company in liquidation, receivership or which has ceased trading or which has been wound-up.

This section has been left intentionally blank.

# SECTION ONE

## MATERIAL DAMAGE

### Insurance Provided

**1.00 MECON Winsure will indemnify you for sudden and accidental physical loss or damage that you could not have expected to happen to insured property, within the Territorial Limit during the Period of Insurance. Cover under this Section of the Policy is subject to all terms of this insurance in so far as they can apply.**

**Except where stated to the contrary, MECON Winsure's liability will not exceed the sum insured on the lost or damaged property.**

- 1.01 Sums Insured, Insured Property and Insured Costs  
Item 1.02 to 1.10 describe components of the total sum insured and include reference to special conditions related to the sums insured.
- 1.02 Maximum Project Value  
The sum insured must be high enough to cover the maximum Project Value. This item covers all of the property and labour whose value is included in the Project.
- 1.03 Principal Supplied Materials  
The sum insured on this Item covers materials and components supplied by the Principal (the value of which is not included in the Project Value). It must be not less than their replacement cost for the Project.
- 1.04 Existing Structures  
The sum insured on this Item covers any structure that was permanently located on the Project site before the Project work commenced. The sum insured must be high enough to cover the full cost of replacing any insured structure to a condition equal to but not better or more extensive than it was when the contract work began.
- 1.05 Contractor's Plant, Tools and Reusable Equipment  
The sum insured on this Item covers contractor's plant, tools and reusable equipment. It must be not less than the Market Value of the property. This includes your own property and any such property for which you are responsible by reason of any written agreement.  
  
This does not apply to any tools that are excluded from cover (See exclusion 4.08 - Tools).

1.06 Variations and Escalation  
The sum insured on this Item covers the added value of alterations and extensions (usually called 'variations') to the Project. It also covers any escalation in the value at risk due to inflation during the Period of Insurance.

Unless a different sum insured appears in the Schedule for this Item, the sum insured will be deemed equal to 20% of the sums insured on Items 1.02 and 1.03. It is available in full for any one loss or series of losses arising out of any one event.

1.07 Removal of Debris  
The sum insured on this Item covers the necessary cost of demolishing Project work and disposing of debris following damage covered by this insurance.

Unless a different sum insured appears in the Schedule for this Item, the sum insured will be deemed equal to 10% of the sums insured on Items 1.02, 1.03, 1.04 and 1.05.

1.08 Professional Fees  
The sum insured on this Item covers professional fees necessarily incurred in reinstating damaged Insured Property on the Project site. The insured fees include those of architects, surveyors and consulting engineers or other similar professional fees, but not fees incurred in preparing claim submissions or negotiating claims.

Unless a different sum insured appears in the Schedule for this Item, the sum insured will be deemed equal to 10% of the sums insured on Items 1.02 and 1.03.

1.09 Expediting Costs  
The sum insured on this Item covers the extra cost of expediting the reinstatement of Insured Property following damage to which this insurance applies. The insured costs include those of express delivery, overtime wages, hire of additional labour and equipment and carriage by airfreight. However, cover on the cost of airfreight only applies to the use of licensed airlines operating regular scheduled services. It does not include the use of chartered Aircraft.

Unless a different sum insured appears in the Schedule for this Item, the sum insured will be deemed equal to 5% of the sums insured on Items 1.02, 1.03 and 1.04.

1.10 Mitigation Costs  
The sum insured on this Item covers the reasonable cost of taking emergency action to reduce the size of an insured loss. The cover applies to action taken after damage has commenced or when it is otherwise imminent and inevitable.

Unless a different sum insured appears in the Schedule for this Item, the sum insured will be deemed equal to 5% of the sums

insured on Items 1.02, 1.03 and 1.04. It is available in full for any one loss or series of losses arising out of any one event.

### How Premium is Calculated

- 2.00 A deposit premium will be calculated by applying the rate of premium to the estimated Project Value to be insured.  
  
At the end of the Period of Insurance, you must declare the total Project Value. If this is greater than the estimated Project Value, the premium will be adjusted on the difference up to but not exceeding the sum insured for Item 1.06. The additional premium will then be payable by you.  
  
If the Schedule shows a different basis for premium adjustment, the different basis will apply instead of the foregoing.
- 2.01 Premium for cover under Items 1.03, 1.04 and 1.05 will, at MECON Winsure's discretion, be either calculated by applying the rate of premium to the sums insured or will be a fixed premium.
- 2.02 Premium for cover under Items 1.07, 1.08, 1.09 and 1.10 is included in the premium specified in Item 2.00. Reducing any automatic sum insured under these Items will not reduce the premium.
- 2.03 Premium is not initially charged for cover under Item 1.06. It is adjusted at the end of the Period of Insurance in accordance with Item 2.00.
- 2.04 Additional premium will be payable for any optional endorsement that increases the amount of cover.

### Basis Upon Which Claims are Paid

- 3.00 MECON Winsure will pay the cost of reinstating the Insured Property to a condition the same as but not better than its condition immediately before the loss or damage less the Deductible shown in the Schedule.  
  
If the loss or damage happens to contractor's plant, tools and reusable equipment insured under Item 1.05, payment will be based on the lesser of the Market Value of the property or the cost of repair.  
  
MECON Winsure will not pay more than the sum insured on any lost or damaged property.  
  
For the purpose of applying any Average Clause, the Project Value and other values will be determined by a registered valuer, quantity surveyor or similar professional who will take account of its defined meaning.

- 3.01 Where Insured Property has been destroyed and you have been indemnified for the loss of its value, any remaining salvage value of that property will belong to MECON Winsure.
- 3.02 This insurance does not cover the cost of any modification or improvement made to Insured Property during its reinstatement following damage.
- 3.03 Loss resulting from earthquake, Storm, fire, Flood, water, rain, landslide, erosion, subsidence or collapse during any period of one hundred and sixty eight consecutive hours will be deemed one loss for the purpose of applying a Deductible. You may choose the time at which a 168 hour period commences, but no two periods may overlap.
- ‘Flood’ means the covering of normally dry land by water that has escaped or been released from the normal confines of:
- any lake, or any river, creek, or other natural watercourse, whether or not altered or modified; or
  - any reservoir, canal or dam.
- ‘Storm’ means a violent weather condition including but not limited to windstorm, cyclone, tornado, thunderstorm, hailstorm, or snowstorm.

## Section One - Exclusions

- 4.00 Cover under Section One of the Policy is subject to the following exclusions:
- 4.01 Breakdown  
This insurance does not cover damage caused to:
- second hand machinery forming part of the Project; or
  - any contractor’s plant, machinery or reusable equipment; through its own mechanical, electrical or electronic breakdown, failure or derangement.
- 4.02 Cessation of Work  
This insurance does not cover loss or damage happening to the Project if no physical building work has been carried out on it for more than 60 consecutive days unless prior to, or during, the 60 days, you have notified MECON Winsure that you require cover to continue and you have received MECON Winsure’s written acceptance of extended cover.
- For the avoidance of doubt, reference to ‘Project’ above includes any Existing Structure insured under Section One of this Policy.
- 4.03 Consequential Loss  
This insurance does not cover consequential loss such as any penalty; any loss due to delay, lack of performance or loss of contract; or any liquidated damages.

- 4.04 Design, Material and Workmanship
- This insurance does not cover the cost of correcting defective property irrespective of whether the defect results from defective materials, incorrect specification, defective workmanship or defective design. For the avoidance of doubt, such shortcomings in any works are not ‘damage’ and property damaged to enable the correction of defective property is not covered.
  - This insurance does not cover damage to defective materials nor does it cover damage to that part of any property containing defective workmanship, defective design or incorrectly specified material.
  - If damage occurs in connection with such defects or incorrect specification, the amount payable for the damage will be reduced by the amount pertaining to the loss or damage excluded by (b) above and any other costs that would have been incurred in correcting the defect or incorrect specification before the damage occurred.
- 4.05 Inventory  
This insurance does not cover loss that is discovered only by taking an inventory unless you can prove the time and cause of the loss.
- 4.06 Ocean Shipment  
This insurance does not cover loss or damage arising during transit by sea unless the shipment is by barge or roll-on, roll-off ferry in coastal waters within the Territorial Limit.
- 4.07 Paper Records and Money  
This insurance does not cover loss of or damage to paper records, including but not limited to files, drawings, accounts, deeds, bills and evidence of debt. Nor does this insurance cover loss of or damage to any currency, money, stamps, securities or cheques.
- For the avoidance of doubt, loss of money includes that money paid to a supplier for services, goods or materials which the supplier fails to supply to you, unless the cause of non-supply is sudden and accidental physical damage to such goods or materials.
- 4.08 Tools
- This insurance does not cover loss of or damage to any computer, any computer software, any computer peripheral, any photocopier, any camera, any mobile communication device or any stationery.
  - This insurance does not cover any item of contractor’s plant, machinery or reusable equipment or any tool whose Market Value is greater than the sum insured or sub-limit specified in the Schedule for Item 1.05.

- 4.09 Underground Boring  
This insurance does not cover any loss or damage:
- associated with the abandonment of any bored or micro-tunnelled underground hole; or
  - to any such hole resulting directly or indirectly from unforeseen ground conditions; or
  - resulting from loss of bentonite.
- Nor does this insurance cover the cost of redrilling any misdirected or misaligned hole.
- 4.10 Vehicles, Watercraft and Aircraft  
This insurance does not cover loss of or damage to any Vehicle licensed for general road use, nor to any Watercraft longer than 10 metres, nor to any Aircraft. The Policy does not cover contractor’s plant at all unless a sum insured is shown for it in Item 1.05.
- 4.11 Wear and Tear, Corrosion and Deterioration  
This insurance does not cover the cost of repairing or replacing any part due to:
- its wear and tear; or
  - any corrosion or oxidation of that part howsoever caused; or
  - deterioration of any part that is due to lack of use or normal atmospheric conditions.

## SECTION TWO PUBLIC LIABILITY Insurance Provided

- 5.00 MECON Winsure will indemnify you for all sums that you become legally liable to pay as compensation for Personal Injury or Property Loss that:**
- happens within the Territorial Limit during the Period of Insurance; and**
  - results from an Occurrence in connection with the Business.**
- Cover under this Section of the Policy is subject to all terms of this insurance in so far as they can apply.**
- MECON Winsure will also indemnify you for the following costs, but only if they are incurred by MECON Winsure or with MECON Winsure’s consent, which will not be unreasonably withheld. Cover for these costs is in addition to the Limit of Indemnity specified in the Schedule.
- 5.01 Legal and other costs incurred in connection with any liability or allegation of liability to which this insurance applies.

5.02 The cost of temporary repairs undertaken to prevent any immediate threat of Property Loss or Personal Injury.

## Limit and Type of Liability

6.00 Except where stated to the contrary, MECON Winsure's liability under each of the following Items will not exceed the Limit of Indemnity specified in the Schedule for that Item.

### 6.01 Public Liability

The Limit of Indemnity under this Item is the most that MECON Winsure will pay for all costs and liability arising out of an Occurrence. The limit is available in full for each Occurrence.

### 6.02 Vibration, Weakening or the Removal of Support

The Limit of Indemnity under this Item applies to liability for Personal Injury and Property Loss caused by vibration, or by the weakening or removal of any support. It is the most that MECON Winsure will pay for liability and costs in the aggregate for the Period of Insurance.

### 6.03 Property in Care, Custody or Control

The Limit of Indemnity under this Item applies to liability for Property Loss to property that you do not own, but is in your care, custody or control. It is the most that MECON Winsure will pay for liability and costs in the aggregate for the Period of Insurance.

## How Premium Is Calculated

7.00 Premium is calculated as follows:

7.01 For cover under Item 6.01 a deposit premium will be calculated by applying the rate of premium to the estimated Project Value.

On expiry of the Period of Insurance, you must declare the actual Project Value. If this is greater than the estimated Project Value, the premium will be adjusted on the difference. The additional premium will then be payable by you.

7.02 For cover under Items 6.02 and 6.03, the premium is either a fixed premium or it is calculated by applying a rate of premium to the applicable Limit of Indemnity.

## Section Two - Exclusions

8.00 Cover under Section Two is subject to the following exclusions.

### 8.01 Asbestos

This insurance does not cover any loss, damage, liability or cost connected in any way with asbestos, or with any product or material containing asbestos.

### 8.02 Contract or Agreement

This insurance does not cover:

- a. liability for Property Loss arising out of your failure to arrange or maintain adequate insurance if this is required of you under any contract or agreement.
- b. liability that you have assumed under any contract or agreement unless the liability would have attached in the absence of that contract or agreement.
- c. any liability that would have been recoverable from another party but for your waiver or limitation of that liability.

### 8.03 Defamation

This insurance does not cover liability arising out of defamation:

- a. made before the beginning of the Period of Insurance; or
- b. made by you or at your direction if you could reasonably have known that it was false or unlawful.

### 8.04 Demolition

This insurance does not cover liability arising directly or indirectly out of demolition work on any structure over 10 metres high. This does not apply to internal demolition work on non-structural property.

If the Schedule says that demolition work is insured, the exclusion will not apply to that work to the extent that the Schedule says it is insured.

### 8.05 Explosives

This insurance does not cover liability arising directly or indirectly out of any blasting operation or the handling or use of explosives.

If the Schedule says that any of this work is insured, the exclusion will not apply to that work to the extent that the Schedule says it is insured.

### 8.06 Loss of Use

This insurance does not cover liability for loss of use of any property that has not been physically lost or damaged resulting from:

- a. any delay in or lack of your performance of Project work; or
- b. any design defect; or
- c. your failure to comply with any Project specification.

### 8.07 Penalties and Damages

This insurance does not cover liability for any:

- a. aggravated or exemplary damages; or
- b. any fine; or
- c. any liquidated damages or other penalty imposed under the terms of any contract, warranty or agreement.

### 8.08 Personal Injury to Employees

- a. This insurance does not cover liability for Personal Injury to any Employee arising directly or indirectly out of their employment in the Business.
- b. This insurance does not cover any claim arising under worker's compensation legislation or under any industrial award or agreement or determination.
- c. This insurance does not cover any claim that is within the scope of compulsory workers' or workmen's compensation insurance, even if the compulsory insurance has not been taken out.

### 8.09 Pollution

This insurance does not cover:

- a. liability arising directly or indirectly out of the discharge, dispersal, release or escape of any Pollutant; or
  - b. any cost incurred in removing, nullifying or cleaning up any Pollutant; or
  - c. any cost of preventing the escape of any Pollutant.
- However, this does not apply where the discharge, dispersal, release or escape results from a sudden identifiable event:
- d. that you neither expected nor intended; and
  - e. that took place in its entirety at a specific time and place.

'Pollutant' means any solid, liquid, gaseous, biological or thermal irritant or contaminant, including but not limited to dust, smoke, vapour, soot, fumes, chemicals, organisms or waste. 'Waste' includes but is not limited to any material destined to be recycled, reconditioned or reclaimed.

### 8.10 Products Liability

This insurance does not cover liability arising out of a Product.

### 8.11 Professional Advice

This insurance does not cover liability arising out of your giving or failing to give any professional advice for payment. Nor does it cover liability arising out of any error or omission in any such advice.

### 8.12 Project

This insurance does not cover liability for Property Loss to any property:

- a. under construction on a site where you are or have been working, or
- b. that is insured under Section One of the Policy, or
- c. that is a Product.

For the avoidance of doubt, structures which were used or occupied prior to any work (by you or by any others) commencing on the site do not constitute such property unless they are included in the Schedule for Section One.

- 8.13 **Property in Care, Custody or Control**  
This insurance does not cover liability for any property in your care, custody or control arising out of Property Loss:
- caused to the part of that property by work that you have done on that part;
  - to any Vehicle or any contractor's plant or tool or equipment hired, leased or loaned to you;
  - to any property owned by any of your relatives or by anyone who normally resides with you.
- 8.14 **Schedule Items**  
This insurance only applies to items with a Limit of Indemnity set against them in the Schedule. This applies to liability under each of the following headings:
- Public Liability;
  - Vibration, Weakening or the Removal of Support;
  - Property in Care, Custody or Control.
- Items with no Limit of Indemnity set against them are excluded from cover.
- 8.15 **Specification, Formula or Design**  
This insurance does not cover liability arising directly or indirectly out of:
- any design, plan, specification, formula or pattern that you provide for a fee; or
  - any error or omission associated with any such design, plan, specification, formula or pattern.
- 8.16 **Underground Services**  
This insurance does not cover liability arising from damage to any underground pipe or cable unless you can show that:
- you obtained written details or plans of its position from the appropriate authority; and
  - using that detail or plan, you took reasonable care to locate the position of the pipe or cable; and
  - you took reasonable care while working to avoid contact or impact with the pipe or cable.
- Reasonable care includes, where possible, following relevant State guidelines on safe work practice in that State.
- 8.17 **Vehicles**  
This insurance does not cover liability directly or indirectly arising out of the use of any Vehicle that is:
- required by law to be registered for road use; or
  - required by law to be insured for third party bodily injury liability.

However, where the Vehicle is unregistered (or is registered but the third party bodily injury liability insurance has been effected but does not apply) and is, at the time of Occurrence:

- on or within 100 metres of the Project site;
- within 100 metres of the place where it is normally stored;

this exclusion will not apply.

- 8.18 **Vibration, Weakening or the Removal of Support.**  
This insurance does not cover liability arising out of the vibration, weakening or the removal of support of any property unless:
- the work that vibrated, weakened or removed the support was performed in strict accordance with the plans and specifications for the work;
  - the work was carried out at the direction of a suitably qualified engineer; and
  - before the work was started, a condition or dilapidation report was made on the affected property.
- 8.19 **Watercraft or Aircraft**  
This insurance does not cover liability arising directly or indirectly out of the ownership, use or operation of:
- any Watercraft exceeding 10 metres in length; or
  - any Aircraft.

## GENERAL EXCLUSIONS

**(Applicable to both Sections One and Two).**

- 9.00 The following exclusions apply to cover under both sections of the Policy.
- 9.01 **Electronic Data**  
This insurance does not cover any loss, damage, liability or cost arising in connection with Electronic Data. However, this does not apply to cover under Section One where the loss is a direct consequence of loss or damage to Insured Property.  
'Electronic Data' means data that can be, or has been, distributed or stored by electronic, electrical or electro-mechanical equipment and includes programs, software and coded instructions for such equipment.
- 9.02 **Fungus, Mildew and Mould**  
This insurance does not cover any loss, damage, liability or cost directly or indirectly connected with any type of biological contaminant, including but not limited to any kind of fungus and any substance produced by, emanating from, or arising out of any fungus.

- 9.03 **Internet Operations**  
This insurance does not cover any loss, damage, liability or cost directly or indirectly caused by or arising from your Internet Operations.  
'Internet Operations' means any of the following:
- the use of any electronic mail system by you or by anyone else at your order or with your consent; or
  - access through your network to the World Wide Web or a public Internet site by you or by anyone else at your order or with your consent; or
  - access to your internal company information and computing resources that is made available through the World Wide Web; or
  - the operation and maintenance of your web site.
- This exclusion will not apply to liability arising out of any material reproduced on your web site that is already in print by a manufacturer in support of its products. However, the exclusion will apply to any other advice or information located on your website for the purpose of attracting customers.
- 9.04 **Radioactive Contamination**  
This insurance does not cover any loss, damage, liability or cost directly or indirectly caused by, or contributed to, or arising from:
- ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion or fission of nuclear fuel; or
  - radio-active toxic explosive or other hazardous properties of any nuclear assembly or nuclear component thereof.
- 9.05 **Terrorism**  
This insurance does not cover any loss, damage, liability or cost of any nature directly or indirectly caused by, resulting from or in connection with any act of Terrorism regardless of any other contributing cause or event.  
For the purpose of this exclusion, 'Terrorism' means an act, including but not limited to the use or threat of force, or violence by any person or group of people, whether acting alone or on behalf of or in connection with any organisation or government which, from its nature or context, is committed for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government or put the public or any section of the public in fear.  
This insurance also excludes any loss, damage, liability or cost of any nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of Terrorism.

## 9.06 War

This insurance does not cover any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power.

# GENERAL CONDITIONS

10.00 These conditions must be complied with before you become entitled to any benefit under this Policy. If you fail to observe any of them and the failure increases MECON Winsure's exposure to any insured loss, MECON Winsure may reduce the amount of your claim or decline to pay it altogether.

## 10.01 Admission of Liability

This condition applies to insurance under Section Two. Unless you have obtained MECON Winsure's prior written consent, neither you nor any of your Employees may:

- a. admit liability or guilt in connection with any Occurrence; or
- b. do anything that might be seen as an admission of liability or guilt unless permissible in law, or
- c. settle any third party claim, even though it may be within the amount of the Deductible.

## 10.02 Alteration of Risk

You must immediately advise MECON Winsure of any alteration, addition, design or work methodology that differs from that previously disclosed to MECON Winsure.

## 10.03 Cancellation

The Policy may be cancelled:

- a. by you at any time by giving notice to MECON Winsure in writing. The cancellation will take effect from the date MECON Winsure receives your notice. Unless the premium is minimum and deposit, you will be entitled to a pro rata refund of premium for any unused Period of Insurance, less 20% for MECON Winsure's costs.
- b. by MECON Winsure in accordance with the provisions of the Insurance Contracts Act 1984 and its amendments. You are entitled to a pro rata refund of premium for any unused Period of Insurance.

Because it is no longer the business we agreed to insure, the Policy will automatically be cancelled from the time your business is wound up or carried on by a liquidator or receiver or is permanently discontinued.

## 10.04 Claim Conduct

If any loss, damage or allegation of liability occurs that may give rise to a claim under this Policy, you must:

- a. inform MECON Winsure of this as soon as you can;
- b. provide such written documents and information as MECON Winsure may require and, if asked, include verification of particulars on oath;
- c. take all steps within your power to minimise the extent of loss, damage or liability;
- d. preserve any property affected and make it available for MECON Winsure or its representatives;
- e. inform the Police if the loss or damage has been caused by any malicious act, theft or other crime;
- f. forward to MECON Winsure every letter, writ, summons and process in relation to your claim as soon as you receive it;
- g. advise MECON Winsure in writing as soon as you receive notice of any prosecution or inquest that involves you and is relevant to your claim;
- h. provide any assistance that MECON Winsure may reasonably require.

## 10.05 Fraud

If you make a claim that is fraudulent in any way, or if you collude with anyone in making a claim, MECON Winsure will have the right to cancel this Policy and may seek legal recourse against you.

## 10.06 Inspection

You must allow MECON Winsure or its representative to inspect any Insured Property and to audit any financial or other records relevant to this insurance at any reasonable time.

## 10.07 Reinstatement of Sums Insured

This condition applies to Section One only. Where a sum insured is reduced by payment of a claim, it will be automatically reinstated to its original amount. This will take effect from the time of the loss or damage. You may have to pay extra premium for the reinstatement at the original rate of premium.

## 10.08 Risk Management

Without exception, you and your Employees must:

- a. fully comply with manufacturer's instructions; and
- b. fully comply with all legal requirements and relevant work place authority regulations regarding safety, and maintenance of property, including but not limited to observance of the Occupational Health and Safety Act applicable in your State; and
- c. ensure that anything that is fitted or is required to be fitted for the purpose of safety is in place and fully functional at all times; and
- d. take all reasonable steps to prevent incurring any loss, damage or liability; and

- e. ensure that only suitably qualified operators are employed for the operation of plant and equipment and that suitably skilled workmen are employed to perform work.

## 10.09 Subrogation

If you have a right to recover your loss from any other party, then, on accepting liability under this Policy, MECON Winsure will be entitled to exercise that right in your name and to its own benefit. This is called 'subrogation'. You must fully co-operate with MECON Winsure in exercising that right. If you are the other party, MECON Winsure will not exercise subrogation against you as long as you have not forfeited your right to indemnity under this Policy.

**END OF POLICY**



# ENDORSEMENTS

Each of these endorsements will only apply if the Schedule says it applies. The endorsement then forms part of the Policy. It overrides anything in the Policy to the contrary. All terms of the Policy otherwise remain in full effect.

## Appliances / Contents

Section One of this Policy does not cover any of the following:

- a. Any white goods that are not shown on the original plans as being permanently wired or plumbed or fixed to the building. This does not apply to dishwashers.
- b. Any home entertainment equipment, such as any television set, any radio and any device for recording or playing movies, music, games and the like.
- c. Any household furniture.
- d. Any artwork.

## Bushfire

Section One of this Policy does not cover damage caused directly or indirectly by bushfire during the first seven days of the Period of Insurance.

## Contract of Sale Extension

Where the Project is subject to a contract of sale at the time of its Practical Completion, cover under Section One of this Policy will continue for up to thirty days; but it will end no later than the time at which the sale is completed. The time at which cover ends will then be deemed the time of Practical Completion for the purpose of cover under Section One. Loss arising out of any insured event during the extended period will be subject to the Deductible shown for this clause in the Schedule. If no such Deductible is shown, a Deductible of \$5,000 will apply. This clause has no effect on the end date of the Defects Liability Period which applied before the application of this clause.

## Contractors and Subcontractors Insurance

This Policy extends to insure any of your contractors (which includes any of their or your subcontractors) and your direct employer involved in the Project as if they were you.

This endorsement applies:

- a. where you have a written contractual obligation to provide the contractor and / or your direct employer with insurance as afforded by this Policy; and
- b. the obligation was in effect before anything happened that could give rise to a claim involving the contractor and / or your direct employer; and
- c. the value of the work performed by the contractor is included in your declaration of Project Value; and

- d. to engineering consultants and other consultants but only for loss, damage or liability resulting from manual activities they perform on the Project site.

This endorsement does not extend to insure any tools, plant, machine or reusable equipment of any kind belonging to, or loaned or hired by, the parties covered by this endorsement.

For the avoidance of doubt, "employer" in this endorsement does not necessarily mean the principal named as such in any contract to which you are a party (Such principals are automatically insured by this Policy).

## Cyclone Exclusion

Section One of this Policy does not cover any loss or damage caused by a named cyclone or associated rain depression.

## Demolition and Debris Removal

This clause applies to property insured under Section One, Item 1.04 (Existing Structures). At the end of each working day, you must remove any demolition debris and other waste material from the structure and take it at least 20 metres away from any Existing Structure. Unless you do this, your insurance will not cover any fire damage to the structure.

## Dewatering (Limited)

Section One of this Policy does not cover any of the following:

- a. Any dewatering cost incurred because the amount of water was more than the initial Project design allowed for.
- b. Any cost incurred for any facility to discharge run-off or underground water.
- b. Any cost incurred for grouting or any other measure taken to stop water leaking into any excavation, foundation or basement.
- c. Damage caused to any basement structure by ground-water pressure.

Despite anything in (a) to (c) above, however, this insurance covers the cost of dewatering where necessary to gain access to, and enable repairs to be carried out on, any completed section of the Project damaged by an insured event. The cover does not apply to the cost of any dewatering that was already being incurred at the time of the damage.

## Dewatering (Total)

This Policy does not cover any loss, damage, cost or liability associated with dewatering.

## Existing Structures (Alterations)

- a. Without limiting the generality of Item 10.08(d), where you are working on a structure that was permanently located on a Project site before the Project began; you must ensure that it is made waterproof at the end of each working day and at any time rain is forecast. If you fail to do this MECON Winsure will not pay any claim for consequent loss, damage or liability.

- b. Where Existing Structures are insured, the Period of Insurance (for both Sections One and Two) is deemed to begin on the date shown in the Schedule notwithstanding anything to the contrary in the definition for the Period of Insurance.

## Financiers Interests

The interest of any financier of the Project is noted in Section One of this Policy, but only to the extent of that interest. Before you become entitled to any claim proceeds, they will first be used to settle any financial obligation that you have with the financier.

## Flood Exclusion

Section One of this Policy does not cover loss or damage caused by Flood, being the covering of normally dry land by water that has escaped or been released from the normal confines of:

- a. any lake, or any river, creek, or other natural watercourse, whether or not altered or modified; or
- b. any reservoir, canal or dam.

## Heritage Buildings

Any claim payable for damage to heritage listed structures included in the sum insured for Item 1.04 will not exceed the cost of reinstatement using modern techniques and readily available materials (of the closest kind to those damaged) from suppliers in Australia.

## Misalignment of Piles

Section One of this Policy does not cover loss of or damage to any pile or casing:

- a. resulting from an error in positioning, misplacement or misalignment of piles;
- b. by the pile or group of piles or pile casings becoming jammed or obstructed;
- c. that fails to pass any load bearing test or any other performance criteria;
- d. nor to disconnected or declutched sheet piles or abandoned piles.

## Occupancy (Residential)

The insurance on any part of the Project or the Existing Structure will not cease solely because the part or Existing Structure is taken over and put to use before completion of the Project as a whole. However, this insurance will not cover any liability caused by or arising out of that use.

## Owner Builder (Family)

Section Two of this Policy does not cover Personal Injury to any 'member of your family'. A member of your 'family' is one who is related to you by marriage or blood, whether or not they live with you.

## Partial Occupancy

The insurance on any part of the Project will not cease solely because the part is taken over and put to use before Practical Completion of the

whole Project occurs. However, this insurance will not cover any loss, damage or liability caused by or arising out of that use or any preparation for that use.

#### Period of Insurance (Extended)

Where the insurance on any part of the Project ends sooner than it ends for the Project as a whole, cover will continue on that part until the end of the Period of Insurance for the whole Project. However, the cover on that part will only apply to loss or damage resulting from the performance of work on the Project.

#### Pipelines and Trenches

Subject to the additional exclusions set out below, Section One of this Policy covers loss of or damage to any incomplete pipeline or trench and any pipe, duct or cable laid in any such trench. However, this only applies to any trench or pipeline up to the maximum length or value specified for Pipelines and Trenches in the Schedule.

#### Additional Exclusions

The insurance under this clause does not cover:

- a. the cost of reinstating the property following subsidence of backfill regardless of the cause;
- b. the cost of clearing and cleaning pipes whose ends have not been sealed on completion of work on them for the day to prevent entry of water or debris;
- c. the cost of reinstating pipes or ducts displaced by water unless, on completion of work on them for the day, they have been secured by backfill. This must be placed in a way that could reasonably be expected to counteract pipe or duct buoyancy.

#### Pools

Section One of this Policy does not cover damage to any pool lining by heaving or displacement caused by ground movement or groundwater pressure.

Cover under Section Two for liability arising in connection with pool construction is subject to the following special conditions:

- a. Any excavation left unattended in a residential area must be kept constantly drained.
- b. Any excavation reasonably accessible to the public, including but not limited to young children, must be adequately fenced or hoarded-off when unattended.
- c. Any pool, spa or excavation must be surrounded by fencing in compliance with all pertinent regulations whenever they are left unattended with water in them.

The Section will not cover liability for any Personal Injury that directly or indirectly results from your failure to comply with these conditions.

#### Road Works

Section One of this Policy does not insure any unsealed road that exceeds the maximum length or value specified for Road Works in the

Schedule. A road is deemed to be unsealed if it does not have at least one application of a weatherproof substance.

Where a Project includes more than one section of unsealed road, the maximum length or value applies to their combined length or value.

#### Testing and Commissioning

Section One of this Policy does not cover damage to any machinery caused by its operation or test loading beyond the Testing and Commissioning period specified in the Schedule.

#### Tunnels, Shafts and Declines

In relation to Projects that include underground work such as any tunnel, shaft or gallery, Section One of this policy covers the following costs:

- a. Cost of replacing previously installed grouting, lining, crib, set or other support that has been lost or damaged.
  - b. Cost of additional permanent linings, cribs, sets or other supports where necessary to reinstate previously completed sections of the Project that have been lost or damaged. However, this does not include the cost of lining, cribs, sets or other supports that would have been incorporated into the Project to deal with any physical ground conditions surrounding the Project had the condition been detected or anticipated at the time of the original construction planning.
  - c. Cost of removing collapsed ground material where necessary to gain access to the damage and to provide a clear working area for repairs to previously completed sections of the Project.
  - d. Cost of dewatering where necessary to gain access to the damage and to provide a clear working area for repairs to previously completed sections of the Project (whether damaged or undamaged) following loss or damage. The cover is only granted up to the daily cost of dewatering being incurred immediately before the loss or damage.
- However, Section One of the Policy does not cover:
- e. any cost associated with any tunnel, shaft, decline or gallery that is not constructed in accordance with the International Code of Practise for Tunnelling Works;
  - f. cost of grouting unsound earth or rock strata;
  - g. cost of any measure to control water inflow;
  - h. cost of removing excavation material in excess of the minimum excavation line provided in the plans;
  - i. cost of dewatering;
  - j. cost of any facility for discharging run-off or underground water;
  - k. cost of refilling cavities that result from overbreak;
  - l. loss or damage due to failure of the dewatering system if the failure could have been avoided through use of sufficient stand-by facilities.

#### Usual Action of the Sea

Section One of this Policy does not cover loss or damage resulting from normal action of the sea.

Normal action of the sea means the usual behaviour of the sea at the Project site at the time of year corresponding to the time of loss or damage with regard to:

- a. tidal movement;
- b. currents, whether tidal or otherwise caused;
- c. wave action, whether wind or tide driven;
- d. sediment transport; or
- e. any other usual behaviour patterns of the sea experienced at corresponding times.

In determining this usual action, weather records for the same month corresponding to the month of the loss or damage will be reviewed for the previous ten years using records from the area.

If the action of the sea that caused the loss or damage has not occurred in any corresponding period during the previous ten years, then the loss or damage will be insured.

#### Vegetation

Section One of this Policy does not cover loss of or damage to vegetation caused by any disease, pest, vermin, lack of water, excess-water, lack of nutrient, or lack of proper care.

#### Welding and Hot Work

This Policy does not cover loss or damage resulting directly or indirectly from heat-producing equipment such as welders, metal or masonry cutters or grinders used on the Project site unless the following precautions have been taken:

- a. Where the operator's view is obstructed or impaired by any device, such as a visor or spark shield, another person must be standing-by to watch for incipient fire.
- b. Adequate fire fighting equipment and extinguishing agents must be readily at hand, together with a sufficient number of workmen on site trained in their use.
- c. Combustible materials must be located a safe distance away from the area where the equipment is being used. Any materials that cannot be moved must be protected by overlapping sheets of non-combustible material.
- d. If practical, the area where the equipment is to be used must be damped.
- e. Any flammable gas-line in the vicinity of the operation must be disconnected and purged of gas.
- f. Glass must be located a safe distance away from the area where the equipment is being used. Any glass that cannot be moved must be protected by overlapping sheets of non-combustible material.
- g. About an hour after use of the equipment has ceased for the day, the area in the vicinity of the work, including floors above and below, the other side of walls and ducts, voids and conduits, all must be examined.

# IMPORTANT INFORMATION

## Contacting Us and Confirming Transactions

You can contact MECON Winsure by:

Telephone: (02) 9252 1040  
Fax: (02) 9252 1050  
E-mail: customerservice@mecon.com.au  
By Post: PO Box R1789 Royal Exchange NSW 1225

If you need confirmation of any of the Policy details please contact MECON Winsure.

## Disputes

If a situation arises where you feel MECON Winsure are not listening to you, or you are dissatisfied with our service and have a complaint, we want to know about it.

### The first step

Please contact MECON Winsure's service staff. If you prefer, address the matter in writing to:

Customer Service

MECON Winsure Insurance Group Pty Ltd  
PO Box R1789 Royal Exchange NSW 1225

The Customer Service team is trained to respond to your concerns efficiently and professionally. If they are not able to resolve the matter to your satisfaction, they will request that their Supervisor or Manager address your concern.

### The next step

You will be notified of MECON Winsure's decision within 15 working days of us receiving notice of the dispute.

If your concern still remains unresolved to your satisfaction you may contact the:

Financial Ombudsman Service  
GPO Box 3 Melbourne VIC 3001  
Phone: 1300 780 808  
Fax: (03) 9613 6399  
Email: info@fos.org.au  
Web: www.fos.org.au

## 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, that is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms (The information you provide on the proposal form forms a part of such matter).

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 the 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 his 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.

## Financial Claims Scheme

This Policy is covered by insurance companies authorised under the Insurance Act 1973 (Insurance Act) to carry on any general insurance business in Australia by the Australian Prudential Regulation Authority (APRA). The insurance companies are subject to the prudential requirements of the Insurance Act. The Insurance Act contains prudential standards and practices designed to ensure that, under all reasonable circumstances, financial promises made by these insurers are met within a stable and efficient financial system.

Because of this, the protection provided under the Financial Claims Scheme legislation applies in relation to the insurance companies and the Policy. If the insurers were to fail and were unable to meet their obligations under the Policy, a person entitled to claim insurance cover under the Policy may be entitled to payment under the Financial Claims Scheme (access to the Scheme is subject to eligibility criteria). Information about the Financial Claims Scheme can be obtained from the APRA website at <http://www.apra.gov.au> and the APRA hotline on 1300 13 10 60.

## Privacy

MECON Winsure uses personal information you have provided to administer your insurance. MECON Winsure are committed to protecting your personal information in accordance with the National Privacy Principles. MECON Winsure's privacy policy can be viewed at [www.meconwinsure.com.au](http://www.meconwinsure.com.au) or a copy can be obtained by phoning: (02) 9252 1040.

MECON Winsure will not share any of your personal information unless:

The law requires

- MECON Winsure consider that your adviser (if you have one) needs the information, or if
- MECON Winsure or someone in a related company needs it to send you promotional material.
- MECON Winsure will never sell your personal information.

If you do not want to receive information on any of MECON Winsure's new products or services you can tell us on your proposal form or by e-mailing our privacy officer at [customerservice@mecon.com.au](mailto:customerservice@mecon.com.au). Alternatively just contact MECON Winsure anytime and let us know that you do not want to receive information on any of our new products or services.

If you think MECON Winsure's records are wrong or out of date, particularly your contact details, it is important that you contact us and we will correct them. You may reasonably access the personal information MECON Winsure hold about you. If you would like to do so, please contact MECON Winsure.

## Utmost Good Faith

The law obligates all parties to a contract of insurance to act towards each other in 'utmost good faith.

The result is that all material facts within the knowledge of the parties must be disclosed, otherwise the party to whom disclosure should have been made may avoid the contract.

The main implications from the duty of utmost good faith for an insured include:

- Fulfil your duty of disclosure
- Make honest statements in the proposal form
- Fulfil the requests of the insurer

MECON Winsure are obliged to:

- settle claims quickly
- have a genuine reason to refuse claims
- disclose restrictions in your policy.

Failure to act with the utmost good faith may prejudice any claim you have or the continuation of this contract of insurance.

## Terrorism Insurance Act 2003

The Commonwealth Government established the Australian Reinsurance Pool Corporation (ARPC) in response to increasing concerns over terrorism. The ARPC is a statutory corporation established under the *Terrorism Insurance Act 2003* to offer reinsurance for terrorism risk in Australia.

The *Terrorism Act 2003* renders terrorism exclusion clauses in eligible insurance contracts ineffective in relation to loss or liabilities arising from a declared terrorist incident affecting eligible property located in Australia. If the loss is as a result of a terrorist act then the Treasurer will be responsible for paying your claim in accordance with the Policy terms and conditions.

The requirements of the Act are compulsory and under the present terms of the scheme insurers are required to submit to ARPC a percentage of the premium you pay.

If you require further information on the scheme please contact MECON Winsure, your insurance adviser or the ARPC.

## Your Cooling Off Rights

You can return the Policy to us within 14 days of the commencement of your insurance. This date is documented on your Schedule. If we receive your written request to cancel the Policy within the 14 day period we will give you a full refund (less any taxes or duties payable that we are unable to have refunded).

You cannot return the Policy where, before the 14 day period ends, you have exercised or at any stage exercise, any of your rights or powers under the Policy (e.g. you have made a claim). After the cooling off period ends you continue to have cancellation rights under the Policy. These rights are set out on page 8 (Item 10.03) of this document.

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