



QBE INSURANCE (AUSTRALIA) LIMITED

QUEENSLAND ELECTRICAL CONTRACTORS ENDORSEMENT

This Endorsement together with Our Broadform Liability Policy comprises Your Queensland Electrical Contractor Insurance Policy. You should keep this Endorsement with Your Broadform Liability Policy wording.

Definitions applying to this Endorsement:

Consumer protection means:

Any consequential financial loss reasonably incurred by the building owner as a result of any defects or non completion of the electrical work (as described in this Endorsement) including but not limited to:

- (1) Any loss of any deposit or progress payments or any part of progress payments;
- (2) The cost of alternative accommodation, removal and storage costs that are reasonably and necessarily incurred; and

Non completion of electrical work due to:

- (1) The death or legal incapacity of the electrical contractor
- (2) The disappearance of the electrical contractor
- (3) The electrical contractor becoming insolvent under administration
- (4) The cancellation or suspension of the electrical contractor's licence under the Electricity Act and Regulations 2002 (Qld.)
- (5) The early termination of the contract by the building owner as a result of the electrical contractor's wrongful failure or refusal to complete the electrical work

Defects in Domestic Electrical Work means:

- (a) A failure to carry out electrical work consistent with current electricity legislation, industry practices and standards and in accordance with any plans and specifications set out in the contract.
- (b) A failure to use materials in the electrical work that are good and suitable for the purpose for which they are used.
- (c) The use of materials in the electrical work that are not new unless the contract Expressly permits the use of materials that are not new.
- (d) A failure to carry out the electrical work in accordance with and in compliance with all laws and legal requirements or any applicable Australian or other relevant standard or code of practice including without limiting the generality of this paragraph, the Electricity Act 2002 (Qld.) with any amendments and regulations made under that Act.
- (e) A failure to carry out electrical work with due care or skill and in the case of domestic electrical work a failure to complete the electrical work:
 - (1) by the date or within the period specified by the contract
 - (2) within a reasonable time if no date or period is specified
- (f) If the contract states the particular purpose for which the electrical work is required or the result which the building owner wishes the work to achieve so as to show that the building owner relies on the electrical contractor's skill and judgement, a failure to ensure that the electrical work and any materials used in carrying out the electrical work:
 - (1) are fit for the purpose
 - (2) are of such a nature and quality that they will achieve that result; or

- (g) A failure to maintain a standard or quality of electrical work specified in the contract;
- (h) A reference to any material in sub-clause (c) (d) or (g) does not include any material that is supplied by the building owner or the owner's agent.

Completed electrical work means:

- (a) Electrical work for which the electrical contractor has issued a certificate of test

Or

- (b) Work the electrical contractor has connected to supply.

The Certificate of Test means the certificate required under Section 169 of the Electricity Act and Regulations 2002 (Qld.).

Electrical Work is as defined in the Electricity Act and Regulations 2002 (Qld.).

Contract means a written agreement to carry out electrical work and includes a domestic building contract or other building contract that includes electrical work.

Disappearance means cannot be found after due search and enquiry.

Domestic Dwelling means any residential premises but other than:

- (a) Any residence that is not intended for permanent habitation, or
- (b) A rooming house
- (c) A motel, residential club, residential hotel, or residential part of licensed premises
- (d) A nursing home, hospital, or accommodation associated with a hospital; or
- (e) The common areas under the control of the Body Corporate in residential villas, townhouses, duplex, triplex, quadruplex or home units which make up the body corporate
- (f) Any watercraft

Insolvent under administration means a person who is bankrupt in respect of a bankruptcy from which the person has not been discharged and includes:

- (1) A person who has executed a deed of arrangement under Part X of the bankruptcy act (Cwth), (or the corresponding provisions of the law of another jurisdiction) where the terms of the deed have not been fully complied with; and
- (2) A person whose creditors have accepted a composition under Part X of the Bankruptcy Act (Cwth), (or the corresponding provisions of the law of another Jurisdiction) where a final payment has not been made under that composition.

Limit of liability means the limit of liability that is shown in the Certificate.

Broadform Products Liability

Means policy of insurance covering an occurrence which caused personal injury to a third party, or any loss or damage to the property of a third party other than the work itself, directly or indirectly arising from the activities as an electrical contractor directly or indirectly arising from the products of activities.

Consumer Protection – Definition of Domestic Work

Domestic work means work for a domestic dwelling proprietor or for individual proprietors of single domestic dwellings forming part of residential villas, townhouses, duplex, triplex, quadruplex or home units.

Trade Practices Liability

Mean any liability that arises as a result of conduct by the electrical contractor that contravenes the Trade Practices Act 1974 (Cwth) and the Fair Trading Act 1989 (Qld) other than any fine or penalty imposed by such contravention.

1. Your Cover

In our Broadform Liability Policy you will find cover for Public Liability and Products Liability. In this Endorsement you will find cover for:

- 1.1 Defects in Electrical Works
- 1.2 Any Trade Practices Liability
- 1.3 Liability arising from the resting of Your own work and the work of others
- 1.4 Resultant and Injury, damage or loss arising from incorrect advice or design
- 1.5 Non-completion of Electrical Work
- 1.6 Consumer Protection

2. Limit of Liability

Our liability under this Endorsement is limited to:

- 2.1 In respect of Trade Practices Liability the maximum amount we will pay is the cost of rectifying the relevant electrical work.
- 2.2 For all other liability referred to in Clauses 1.1, 1.3, 1.4, 1.5 and 1.6 the maximum amount we will pay is \$50,000 per any one claim or service of claim in relation to a certificate of test or if the certificate of test relates to more than one home \$50,000 in respect of each domestic installation.
- 2.3 For the reasonable legal costs and expenses associated with successful Enforcement of a claim against You or Us.

3. Exclusively applicable to this Endorsement

- 3.1 We do not cover You for any loss damage or liability:
 - 3.1.1 Resulting from a Product Defect provided that:
 - 3.1.1.1 We bear the onus of establishing that the claim (or part of a claim) is based on a Product Defect; and
 - 3.1.1.2 We agree that nothing in this exclusion removes the cover given to You by this Endorsement in relation to You supplying or using any appliance, material, substance or other thing that You were aware was defective, or that You should reasonably be aware was defective
 - 3.1.2 Resulting from:
 - 3.1.2.1 Fair wear and tear or depreciation of electrical work or;
 - 3.1.2.2 A failure by the Building Owner to reasonably maintain the Electrical Work
- 3.2 For consequential financial loss resulting from non-domestic Electrical Work
- 3.3 Directly or indirectly caused by, contributed to, or arising from exposure to asbestos
- 3.4 We do not cover you in respect of all legal costs of any person making a Claim against You that are not directly or indirectly related to:
 - 3.4.1 The enforcement of this Policy; or
 - 3.4.2 A liability in respect of which you are covered under this Policy
- 3.5 We do not cover You for claims for liquidated damage for delay or damages for delay that may arise under contract provided that this exclusion does not apply to increases in rectification costs caused by a delay

CONDITIONS APPLICABLE TO THIS ENDORSEMENT:

4. Period that insurance must cover

- 4.1 For the liabilities referred to in Clauses 1.1, 1.2 and 1.4 of the Endorsement, You are only covered in respect of Electrical Work of which a Certificate of Test is required from the time You agree to carry out that work until:
 - 4.1.1 7 years after You last issued the Compliance Certificate in relation to that work; or
 - 4.1.2 if You did not issue a Compliance Certificate in relation to the work, 7 years after You stopped carrying out that work
- 4.2 You are covered in respect of Electrical Work for which a Compliance Certificate is required for Completed Work Liability that arises from personal injury to a third party or loss or damage to the property of a third party (other than property that is part of the Electrical Work itself) that occurs during the Period of Insurance caused by an occurrence that happens in connection with the carrying out of the Electrical Work (regardless of when the Electrical Work was carried out).
- 4.3 The cover provided in Clauses 1.1, 1.2 and 1.4 of this Endorsement continues to apply throughout the relevant period specified in Clause 4.1 of the Endorsement even if You cease to be a Licensed or registered electrician before the end of that period and even if You cease to maintain this Policy.

5. Insurer to comply with court orders, etc.

We agree to comply with any order made against You by a court, the disputes or any other competent judicial body, in respect of any liability for which You are indemnified under this Policy (including any excess that You may be obliged to pay to Us).

6. Limitation for common property

- 6.1 This Clause applies if a claim is paid by us in relation to the common property of a building or complex or multiple Homes and the property in which the building or complex stands, and on which Electrical Work is carried out, is subject to the Subdivision Act 1988.
- 6.2 We will reduce the amount We pay under this Policy in respect of any One Home in the building or complex by an amount calculated by dividing the amount of the claim paid by Us by the number of Homes in the building or complex.

7. Limitation concerning non-completion of work

If You fail to complete Electrical Work for any reason then this Policy does not cover You for claims for the whole or a specified part of any payment made under a contract that exceeds the value of the work completed at the time of payment.

8. Deemed acceptance of claims

- 8.1 This Clause only applies in relation to Domestic Electrical Work
- 8.2 This Clause does not apply in relation to Completed Works Liability
- 8.3 We agree to accept liability for a claim in We do not notify the person making the claim within 90 days from when We receive the claim in writing that We accept or dispute the claim, unless We obtain an extension of time from the person in writing or from the Disputes Tribunal

9. Ministerial Order to prevail in the case of conflict with this Policy

We agree that if any term of this Policy conflicts, or is inconsistent with the Electrical Contractors Insurance Requirements which outlines the requirements for electrical contractors insurance required under Section 43 of the Electricity Act and Regulations 2002 (Qld) then this Policy is to be read and to be enforceable as if it complied with that document.

10. Claims not to be refused on the grounds that Policy obtained by fraud, etc.

10.1 This Clause only applies in relation to Domestic Electrical Work

10.2 We agree that We will not refuse to pay a claim (other than a claim in respect of Completed Work Liability) under this Policy on the ground that this Policy was obtained by misrepresentation, fraud or non-disclosure by You or anyone acting on Your behalf

10.3 You agree that if We make a payment under this Policy to, or for the benefit of, a building Owner under the circumstances contemplated by this Clause, by doing so We are not restricting Our right to recover that payment from You.

11. Insurer must give effect to Certificates

11.1 This Clause only applies in relation to Domestic Electrical Work

11.2 If We give You a Certificate stating that You are covered by insurance, We agree that We will not refuse to pay a claim on that insurance (other than a claim in respect of Completed Work Liability) under this Policy on the ground that You have not paid the premium for the Insurance

11.3 You agree that if We make a payment under this Policy to, or for the Benefit of, a Building Owner under the circumstances contemplated by this Clause, by doing so We are not restricting Our right to recover that payment from You

12. Deemed notice of Defects

We agree that if a person gives notice of Defects in writing to You or Us, that person is to be taken for the purposes of this Policy to have given notice of all Defects of which the Defect notified are directly or indirectly related, whether or not the claim in respect of the Defects that were actually notified has been settled.

13. Claimant may enforce this Policy directly in certain cases

We and You both agree:

13.1 That a person who is entitled to claim against You in respect of any liability for which You are indemnified under this Policy may enforce this Policy directly against Us for the person's own benefit if:

13.1.1 Any event listed in Clause 1.4 of this Endorsement occurs; or

13.1.2 You refuse to make a claim against Us; or

13.1.3 There is an irretrievable breakdown of communication between You and Us; and

13.2 That for the purpose of such enforcement the person has the same rights and entitlements as You would have had under any legislation applicable to You; and

13.3 That We will pay to the person the full amount of any liability for which You are indemnified under this Policy despite any failure by You to pay any excess that You are required to pay

14. Section 54 of the Insurance Contracts Act 1984 to apply

- 14.1 We acknowledge that Section 54 of the Insurance Contracts Act 1984 (Cwth) applies to this Policy
- 14.2 Despite sub-clause .14.1, We agree that We will not rely on Section 54 To reduce Our liability under this Policy or to reduce any amount that is Otherwise payable in respect of a claim by reason only of a delay in a Claim being notified to Us if:
- 14.2.1 The person who makes the claim notifies You, either orally or in writing; or
 - 14.2.2 That person or You notifies Us in writing within 180 days of the date when the person first became aware, or might reasonably be expected to have become aware, of some fact or circumstance that might give rise to the claim

15. Notification concerning claims settled

We and You both agree that We will notify the Electrical Licensing Board in writing in the manner required by the Electrical Licensing Board of the settling of payment of any claim under this Policy.

16. Conflicting Provisions

- 16.1 Nothing in this Endorsement should be read as limiting indemnity under the Endorsement with respect of any Defect as a result of any error in design, specification formula or pattern or the provision of advice that is incidental to any Electrical Work undertaken by the electrician
- 16.2 To the extent that paragraph 16.1 is in conflict with any other provision in this Endorsement, paragraph 16.1 will prevail

17. Excess

You are liable to pay Us in respect of each claim paid by Us under this Policy the amount paid by us or the amount specified in the certificate as the excess under the heading Public Liability or Products Liability whichever is the lesser.

Provided You are not liable to pay an excess more than once in relation to any claim comprising more than one defect or two or more claims that relate to the same defect.

18. You must co-operate with Us

- 18.1 You agree in relation to a claim or prospective claim:
- 18.1.1 To make reasonable efforts to assist and inform Us or Our agent;
- And
- 18.1.2 To attend the relevant building site for the purpose of inspecting, rectifying or completing Electrical Work (unless the Building Owner refuses You access to the site)
- 18.2 We may reduce the amount of a claim by a Building Owner by an amount that reasonably represents the cost resulting from an unreasonable refusal by the Building Owner to give You access to a building site if We have asked You to attend the site

19. Provision concerning cancellation

We agree that the cancellation of this Policy:

- 19.1 Will only take effect 30 days after We give both the Electrical Licensing Board and You notice in writing of the cancellation; and
- 19.2 Has no effect on any of Our obligations under this Policy with respect to the liabilities referred to in Clauses 1.1, 1.2 and 1.4 of the Endorsement in relation to Electrical Work that was carried out while this Policy was in force; and
- 19.3 Has no effect on any of Our obligations under this Policy with respect to the liabilities referred to in Clauses 1.3 and 1.4 of this Endorsement in relation to any personal injury to a third party or loss or damage to the property of a third party (other than property that is part of the Electrical (Work itself) that occurred while this Policy was in force.