



# Combined Product Disclosure Statement & Financial Services Guide

CONTRACTORS PLANT

MECON Insurance Pty Ltd  
Australian Financial Services Licence No: 253106  
Australian Company Number: 059 310 904

Prepared: 2 May 2016

Product Disclosure Statement	Page 2
Financial Services Guide	Page 4

# Product Disclosure Statement



Version PDS0616

This Product Disclosure Statement (PDS) contains important information required under the Corporations Act 2001 (Cth). This PDS includes the Contractors Plant policy wording ('the policy').

## Introduction

### The purpose of this PDS

This PDS has been prepared to assist consumers ('you') in understanding the policy and making an informed choice about your insurance requirements. This PDS sets out the significant features of the policy including its benefits, risks and information about how the insurance premium is calculated. You must read the policy for a full description of the terms, conditions and limitations of the policy. This document applies to any renewals unless we tell you otherwise.

From time to time and where permitted by law, we may change parts of the PDS or the policy. We will issue you with a new PDS or a Supplementary PDS or other compliant document to update the relevant information except in limited cases. Any updates which are not materially adverse to you from the view of reasonable person deciding whether to buy this insurance, may be found on the MECON's website at [www.mecon.com.au](http://www.mecon.com.au). You can obtain a paper copy of any updated information without charge by calling MECON at 02 9252 1040.

Some parts of this document are only relevant for retail clients under the Corporations Act.

### Who is the insurer?

This insurance is issued/insured by:

AIG Australia Limited (AIG), ABN 93 004 727 753, AFSL 381686, Level 19, 2 Park Street, Sydney NSW 2000

AIG issues/insures this product pursuant to an Australian Financial Services Licence granted to them by the Australian Securities and Investments Commission.

AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc. American International Group, Inc. (AIG) is a leading international insurance organisation serving customers in more than 100 countries and jurisdictions. AIG companies serve commercial, institutional, and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

### The Financial Claims Scheme

In the event of the insolvency of AIG, You may be entitled to payment under the Financial Claims Scheme. Access to the scheme is subject to eligibility criteria. Information about the scheme can be obtained from the APRA website at [www.apra.gov.au](http://www.apra.gov.au) and the APRA hotline on 1300 558 849.

### Who is MECON Insurance Pty Ltd?

MECON Insurance Pty Ltd (ABN 29 059 310 904 and AFSL 253106) will arrange for the issue of the insurance. In this PDS, MECON Insurance Pty Ltd is referred to as 'MECON' and is also called 'we', 'us' and 'our'. MECON is not your agent.

You may contact MECON in any of the following ways:

Phone: (02) 9252 1040  
Fax: (02) 9252 1050  
Email: [customerservice@mecon.com.au](mailto:customerservice@mecon.com.au)  
Mail: PO Box R1789  
Royal Exchange NSW 1225

### Who is responsible for this document?

MECON is responsible for the policy. AIG is responsible for the PDS. When issuing an insurance policy or dealing with or settling any claims, MECON will act as agent for the insurer and will not act as your agent.

## General Insurance Code of Practice

AIG 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. For any information about the Code, including a copy of the Code, contact us or visit [www.codeofpractice.com.au](http://www.codeofpractice.com.au)

## Your Cooling-off period

We will refund all premium paid for cover under the policy if you request cancellation of the policy within fourteen (14) days of its commencement (less any taxes or duties payable that we are unable to have refunded).

To do this, you must advise us in writing and return the policy schedule to us. You will not receive a refund if you have made a claim under the policy.

## What to do if you have a dispute

Occasionally there may be some aspect of our service or a decision we have made that you wish to query or draw to our attention.

If you are not satisfied with any of the following, please contact us:

- ▼ The policy.
- ▼ Our service.
- ▼ The service of our agents, loss adjusters or investigators.
- ▼ Our decision on your claim.

We are committed to resolving your complaint fairly, however if you do not agree with our decision, the matter can be reviewed independently by the Financial Ombudsman Service Australia (FOS) subject to its terms of reference.

The scheme is an independent external body. It will investigate the matter and make its decision at no cost to you and, as a member we agree to accept their decision where we are bound to do so. You have up to two years to contact the FOS after our final decision.

Contact details for FOS are as follows:

Phone: 1800 367 287/ (03) 9613 7366  
Fax: (03) 9613 6399  
Mail: GPO Box 3 MELBOURNE VIC 3001  
Email: [info@fos.org.au](mailto:info@fos.org.au)  
Website: [www.fos.org.au](http://www.fos.org.au)

## How to apply for insurance

Complete the Contractors Plant Proposal form provided by your insurance broker. If we accept your proposal for insurance, you will receive a policy schedule that sets out details of the insurance you have taken out.

## How to make a claim

Please contact us when something happens that you believe you can claim for. Details about making a claim are shown in the policy under: General Conditions (see 14.04 and 14.05 in particular).

## Costs

The premium payable by you will be shown on your policy schedule. The key factors that influence the premium calculation are reflected in the questions asked, and information sought at the time of your enquiry or application for this insurance. These include factors relating to: the type of insured item(s) insured; the age and driving experience of your drivers and operators; where and how the Insured item(s) is / are used; the type of loss covered; the place where your insured item(s) is / are stored when not in use; and your previous insurance and claims history.

Premiums are subject to Commonwealth and State taxes and/or charges. These include GST and stamp duty. The amount of these taxes and / or charges will be shown on your policy schedule.

With each type of cover, a range of additional benefits may be included. The additional benefits available are shown in the policy under Endorsements. You will need to read the policy, the policy schedule, and any endorsement applicable to the policy for a full description of the features and benefits of this insurance policy.

Your insurance broker can assist you with any explanations.

## Exclusions/ Conditions

The policy is designed to provide protection for you in the event of something happening which is insured by it. Under some circumstances, the policy will not provide any insurance cover to you. For example, it does not provide cover for loss, damage or liability arising out of war. The policy states when cover is not provided under:

- ▼ Section One Exclusions;
- ▼ Section Two Exclusions;
- ▼ Section Three Exclusions; and
- ▼ General Exclusions.

There are things that you must do in order for your insurance cover to apply.

For example, you must take all reasonable precautions to prevent damage and prevent incurring legal liability. In the policy wording we state what you need to do under:

- ▼ General Conditions.

## Significant risks

### Deductible (or excesses)

If you make a claim under the policy, you may be required to pay one or more deductible. The descriptions of these deductibles and the circumstances in which they are applied are shown in the schedule and in the policy wording under General Conditions and in Endorsements.

These may include factors relating to: the type of items insured; the age and driving experience of your drivers and operators; where and how the insured item(s) is / are used; the type of loss covered; the place where your insured item(s) is / are stored when not in use; and your previous insurance and claims history.

At the time of your enquiry or application for insurance, the amount of all deductibles applicable to your insurance policy will be advised to you.

## Significant features and benefits

Where there is no sum insured under a section or item of the policy, no cover exists. Where the policy schedule shows an applicable sum insured under the relevant section, cover exists. The following is a summary only. The policy may contain three types of cover:

Section	Property / Liability Insured	Significant Features and Benefits of Cover Provided
Section One Material Damage	Plant and Machinery Registered or Unregistered Insured Items	<ul style="list-style-type: none"> <li>▼ Cover for sudden and accidental physical loss or of damage to insured plant;</li> <li>▼ Cover for windscreen replacement without applying a deductible;</li> <li>▼ Cover of express delivery, overtime, wages and airfreight for the extra costs of expediting repair or replacement;</li> <li>▼ Cover for accessories fitted to insured plant and tools supplied by its manufacturer;</li> <li>▼ Cover for debris removal following damage to insured plant;</li> <li>▼ Cover for cost of recovering insured plant that has become immobilised, bogged or stranded without being lost or damaged;</li> <li>▼ Indemnification for consequent costs to material damage;</li> </ul> <p>subject to the terms, conditions, and exclusions of the policy.</p> <p>Refer to section one of the policy wording for full details of the cover provided.</p>
Section Two Road Risk Liability	Registered insured items	<p>Covers your legal liability to pay for damage to property belonging to others or bodily injury arising out of an insured event and subject to the terms, conditions, and exclusions of the policy.</p> <p>Refer to section two of the policy wording for full details of the cover provided.</p>
Section Three Public Liability	Public and Products Liability	<p>Indemnifies you against:</p> <ul style="list-style-type: none"> <li>▼ Public Liability; or</li> <li>▼ Products Liability;</li> </ul> <p>Refer to section three of the policy wording for full details of the cover provided.</p>

# Financial Services Guide



Version: FSG0616  
Prepared Date 2 May 2016

## The Purpose of This Guide

This Financial Services Guide (FSG) is to assist you in deciding whether to use any of our services and contains important information about:

- ▼ The services we can offer you.
- ▼ How we are remunerated.
- ▼ What to do in the event of a complaint.

## Responsibility for Services Provided

We hold a current Australian Financial Services Licence and are authorised to advise and deal in all general insurance products.

We are responsible for the financial services we provide to you, including the distribution of this FSG.

In order to be granted and retain our Licence, we are required to meet strict guidelines in areas such as: staff training, organisational competence, management expertise, financial control and compliance disciplines.

We have an ongoing requirement to maintain and enhance our professionalism to ensure that you receive fair and honest Financial Services from us.

## Who Do We Act For

Generally we operate as an underwriting agency and as such we act on behalf of the insurance company which insures you through the policy (or cover) we issue you. In most cases we have authority to issue an insurance policy under a binder (or contract) arrangement with the insurance company.

## Our Services

We offer a range of products to assist you and your insurance broker to protect your assets and guard against unexpected events.

## How to Contact Us

If you wish to contact us directly, rather than via your insurance broker, you may contact us by phone, in writing, by fax, email or in person.

## Our Products

Although we are licensed to deal in all classes of general insurance products, we specialise in providing:

- ▼ Contract Works policies, and
- ▼ Contractors Mobile Plant and Machinery policies.

## Retail Clients

Under the Corporation Act 2001 (The Act) Retail Clients are provided with additional protection over other clients. The Act defines Retail Clients as:

Individuals or a manufacturing business employing less than 100 people or any other business employing less than 20 people and that are purchasing the following types of insurance covers:

Motor vehicle, home building, contents, personal and domestic, sickness/accident/travel, consumer credit and other classes as prescribed by regulations.

Some of the information in this FSG only applies to Retail Clients and it is important that you understand if you are covered by the additional protection provided.

## Retail Client Issues

Normally we do not advise on financial products to our Retail Clients, if we do it is only General Advice and this General Advice does not take into account your particular needs and requirements and you should consider the appropriateness of this advice applicable to your circumstances prior to acting upon it.

Although it is not our normal practice to advise on financial products, if we recommend a financial product or we think you are a Retail Client, we will give you a Product Disclosure Statement at that time, which sets out details

specific to that product and the key benefits and risks in purchasing the product.

If you are a Retail Client dealing through an insurance broker, any advice provided by the insurance broker is their responsibility and is not provided by MECON Insurance Pty Ltd.

## What We Expect From You

In the unlikely event that we provide you with advice, to enable us to provide the right advice, we need you to provide us with complete information about the risk(s) passed to your circumstances and that you may want to be insured against.

You should also tell us about any relevant mid-term changes in your circumstances affecting your risk as they occur so that we can review your insurance needs accordingly.

You must agree to pay our invoices on time and complete all proposal forms honestly, accurately and return them to us in a timely manner.

## Personal Information

The Privacy Act 1988 sets out standards for the collection and management of personal information. With your consent, we will only use your personal information relative to general insurance services. For more information, please refer to <http://www.oaic.gov.au/privacy/privacy-act/the-privacy-act>.

## Cooling Off Provisions

All Retail products are subject to a 14 day 'cooling off period'. This means that if you are not happy with the product, you have 14 days to withdraw from the contract at no cost to you.

## Complaints

Clients not satisfied with our services should contact their insurance broker or our Complaints Officer. We subscribe to the Financial Ombudsman Services Limited (FOS), a free consumer service.

Further information is available from our office, or contact FOS directly on 1300 780 808 or [www.fos.org.au](http://www.fos.org.au).

## Compensation

We hold a Professional Indemnity Policy. This policy is designed to pay claims made by third parties (including our clients) arising out of our professional negligence. The policy extends to cover us for work done for us by representatives / employees after they cease to work for us and satisfies the requirements for compensation arrangements under Section 912B of the Financial Services Reform Act 2001.

## Our Sources of Income

When binding your insurance, we usually receive a commission, paid out of your premium, from the insurer. The amount can vary between 0% and 17% of the base premium you pay. We retain the commission from the premium paid to us and remit the balance to the insurer. We also receive commission for each extension of cover requiring an additional premium. We usually charge you a policy administration fee which will appear separately on your invoice.

Where a policy is cancelled before the period of insurance has ended we will usually retain the administration fee, but return commission on any premium refund.

We may receive additional remuneration from insurers with whom we have profit share arrangements. This remuneration is payable if we meet profitability targets set by the insurer.

We retain the interest on premiums paid by you that are held in our trust account before paying the insurer.

If you pay by credit card we may charge you a credit card (incl. arrangement & handling) fee, which is disclosed and shown separately on our invoices, they are non-refundable. This fee covers the cost of bank charges etc. associated with such facilities.

## How Our Staff Are Paid

Our staff do not receive any benefit directly from the sale of a product to you, they may receive bonuses payable based on the overall performance of our business.