



QBE INSURANCE (AUSTRALIA) LIMITED
ABN 78 003 191 035



BRIC Bovill Risk &
Insurance Consultants

Residential Builders' Warranty – Insurance Proposal

Eligibility Application for Builders up to \$5m in Annual Turnover

Don Hutton Insurance Brokers, P/L

PO Box 12, Penshurst, 2222; Phone: 1300 769 455 Fax: 02 9579 6688 Contact: Martin White or Joe Vella or Email: builder@buildersbroker.com.au

Section 1 – General Business Information

Name of Business - The Applicant

Trading Name

ACN/ABN

Business Type:

Sole Trader

Partnership

Company

Trust (*Trust Deed Required*)

Name as shown on Building/Contracting Licence

Licence Number (*please attach copy of relevant licence*)

Date First Obtained

Contact Person

Business Telephone Number

Mobile Number

Facsimile Number

Brief Description of type of work your business undertakes

State(s) of operation seeking cover:

NSW

ACT

VIC

SA

WA

TAS

NT

Do you have an existing Contract Works Insurance with QBE? Yes

No

(Note – A multi-policy discount to your Builders Warranty may apply)

If yes, please provide the following:

Policy Number

Renewal Date

Brokers Name

Breakdown of turnover for the last financial year

	30 / 06 /
Domestic Work	\$
Commercial Work	\$
Subcontracting Income	\$
Other Income	\$
Total Income	\$

Section 2 – Building Limits

Annual value of works requiring Builders Warranty Insurance

'Eligibility' amount

Maximum Job Values:

	Maximum job value	Number of jobs
Single Dwellings	\$	
Alterations – Non-structural works	\$	
Alterations – Structural works	\$	
Kitchens	\$	
Bathrooms	\$	
Kit Homes	\$	
Swimming Pools	\$	
Multi Units – up to 3 levels	\$ per unit	
Architect Tendered Projects	\$	

2 references required

2 references required

Domestic Building Cycle:

Average Lead Time

weeks

Average Build Time

weeks

Section 3 – Business and Personal Background Information

- Have you or any business in which you were involved been placed into external administration, liquidation, receivership or a scheme of arrangement (formal or informal) to repay outstanding creditors? Yes No
- Have you ever been declared bankrupt or entered into a deed of assignment/composition or been subject to a legal judgement or are currently involved in any legal proceedings? Yes No
- Have you disclosed all of the information of a material nature that could significantly affect the financial position of your business and influence QBE's acceptance of your application? Yes No
- Have you or any business in which you were involved ever been insured with another home warranty insurer? Yes No
- Do you currently have Warranty Eligibility with another Insurer? (attach copy) Yes No
- Have you or any business for which you were involved ever been declined home warranty insurance? Yes No
- Has your previous Home Warranty Insurer provider ever paid a claim or are you aware of any circumstances that may give rise to a claim? Yes No
- Have you previously been disciplined by any Court or Statutory Building Disputes Tribunal which resulted in payment or rectification orders against you or any business in which you were involved? Yes No
- Do you currently have a bank guarantee or deed of indemnity lodged with any other insurer? Yes No
- Is the applicant a subsidiary of another entity or have any subsidiary companies? Yes No

If you answered yes to any of the above, please provide a brief explanation below

Section 4 – Statement of Personal Assets and Liabilities *(photocopy if necessary)*

This section requires completion by the following: 1. sole traders 2. both principals of a partnership 3. company directors 4. trust beneficiaries

Name of Business – Applicant Name

Assets	Value	Liabilities	Value
Principal residence at <input style="width: 95%; height: 20px;" type="text"/>	\$	Mortgage loan with <input style="width: 95%; height: 20px;" type="text"/>	\$
Other property at <i>(copies of rates notices for each property required)</i> <input style="width: 95%; height: 20px;" type="text"/>	\$	Mortgage loan with <input style="width: 95%; height: 20px;" type="text"/>	\$
<input style="width: 95%; height: 20px;" type="text"/>	\$	<input style="width: 95%; height: 20px;" type="text"/>	\$
<input style="width: 95%; height: 20px;" type="text"/>	\$	<input style="width: 95%; height: 20px;" type="text"/>	\$
Motor vehicle's <input style="width: 95%; height: 20px;" type="text"/>	\$	Vehicle finance with <input style="width: 95%; height: 20px;" type="text"/>	\$
<input style="width: 95%; height: 20px;" type="text"/>	\$	<input style="width: 95%; height: 20px;" type="text"/>	\$
<input style="width: 95%; height: 20px;" type="text"/>	\$	<input style="width: 95%; height: 20px;" type="text"/>	\$
Other investments <input style="width: 95%; height: 20px;" type="text"/>	\$	Other loans <input style="width: 95%; height: 20px;" type="text"/>	\$
<input style="width: 95%; height: 20px;" type="text"/>	\$	<input style="width: 95%; height: 20px;" type="text"/>	\$
<input style="width: 95%; height: 20px;" type="text"/>	\$	<input style="width: 95%; height: 20px;" type="text"/>	\$
Cash at bank with <input style="width: 95%; height: 20px;" type="text"/>	\$	Credit cards/other loans <input style="width: 95%; height: 20px;" type="text"/>	\$
<input style="width: 95%; height: 20px;" type="text"/>	\$	<input style="width: 95%; height: 20px;" type="text"/>	\$
Work in progress <i>(sole traders only)</i> <input style="width: 95%; height: 20px;" type="text"/>	\$	Overdraft <i>(sole traders only)</i> <input style="width: 95%; height: 20px;" type="text"/>	\$
Trade receivables <i>(sole traders only)</i> <input style="width: 95%; height: 20px;" type="text"/>	\$	Trade payables <i>(sole traders only)</i> <input style="width: 95%; height: 20px;" type="text"/>	\$

Section 5 – Financial Information

Financial Information required for all Applicants:

check box

Sole Traders and Partnerships

– Full taxation returns for the past two financial years

Company and Trust Applicants

– Accountant prepared financial reports and notes to the accounts for the past two financial years

Section 6 – Important Information

Duty of Disclosure

Before you enter into a contract of general insurance with an insurer, you have a duty, under the Insurance Contracts Act, to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of insurance and, if so, on what terms.

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 any 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 its business, ought to know.
- as to which compliance with your duty is waived by the insurer.

Privacy Statement

We are committed to safeguarding your privacy and confidentiality of your personal information. We will only collect personal information from you or about you which is relevant to processing and assessing this application and use it in a way you would reasonably expect.

The personal information collected may include personal details, construction details, financial information and arrangements.

Without this personal information we may not be able to process this application or issue insurance cover.

Section 7 – Checklist

- Fully completed and signed Application form.
- Copy of the current licence/ registration for each of the directors/ partners / business proprietors/building practitioners or nominated supervisors.
- Copy of current Warranty Eligibility Certificate if held with another insurer.
- Technical References for Architect Design and Multi Unit projects.
- Taxation returns or Company/ Trust financial statements for the past two financial years.
- Copy of Trust Deed for Trust applicants.
- Evidence of ownership for all property shown in Section 4.

Section 8 – Applicants Declaration

This declaration is to be executed by either the sole business proprietor/all partners in a partnership/ sole directors (if only one to sign) or at least two directors of the Company.

I/We declare that:

1. I/we have read and understood the Privacy Statement and Duty of Disclosure Statements outlined in this application.
2. I/we acknowledge that on issuance of an individual Residential Builders Warranty Certificate, it is the owner who is the insured and not I/we as the applicant/builder.
3. I/we have received a copy of the “Residential Builders Warranty Insurance” policy wording and agree on behalf of the applicant to be bound by the terms and conditions contained in it.
4. I/we believe that the applicant is currently solvent and in its capacity can meet all of its financial obligations as and when they fall due.
5. If any of the information disclosed in this application alters or materially changes, I/we will notify QBE Insurance (Australia) Limited immediately.
6. I/we understand that no Certificates of Insurance will be issued until this application has been accepted by QBE Insurance (Australia) Limited and “Letter of Eligibility” issued.
7. On the issuance of a “Letter of Eligibility”, I/we understand that in the event of a complaint or a claim then the contractor, sole trader, or company and the company directors or partnership and the individual partners are joint and severally liable for the following:
 - To comply with the directions or any judgements made by the Tribunal or Australian Courts to complete or rectify building works.
 - Reimburse QBE Insurance (Australia) Limited any amount in respect to a claim paid, which includes any costs or expenses incurred by the insurer.
8. QBE Insurance (Australia) Limited reserves the right to revoke eligibility of the applicant to purchase individual Job Specific Policies under certain circumstances.
9. I/we declare that all information given in this application and any attachments is true and correct.
10. I/we authorise QBE Insurance (Australia) Limited to give to, or obtain from, other insurers or insurance reference bureaus, credit reporting agencies and government departments any information about this insurance including this completed application and my/our insurance claims history and my/our credit history.

Declared by (Name)

For and On Behalf of

Position/Title

Signature

Date

Declared by (Name)

For and On Behalf of

Position/Title

Signature

Date

IMPORTANT NOTICES

Your insurance is subject to the following important notices. Please read these and contact us immediately should you have any queries or concerns

YOUR 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 exceptional matter that you know, or could reasonably be expected to know, is relevant to the Insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

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 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.

PLEASE NOTE THAT YOUR DUTY APPLIES ALSO WHEN YOU SEEK TO AMEND, ALTER, OR ENDORSE A POLICY.

UTMOST GOOD FAITH

Every insurance contract is subject to the doctrine of utmost good faith which requires that parties to the contract should act toward each other with the utmost good faith. Failure to do so on your part may prejudice any claim or the continuation of cover provided by Insurers.

RETROACTIVE /PRIOR COVER

This insurance will not provide cover in respect of claims arising out of work performed or events occurring prior to the period of insurance as stated on the policy which are known to you. Nor will the policy provide cover for claims arising out of work performed or events occurring prior to any "Retroactive Date" if specified on the Policy Schedule we send to you, or where the insurance is Construction Risks or any Home or Builders Warranty insurance, before the inception date on the policy schedule.

CO- INSURANCE CLAUSE

A policy provisions may state that where the actual reinstatement value of the property at the time of the claim exceeds the amount insured then you will be deemed to be the insurer for a corresponding part of each and every loss and be expected to bear a proportionate part of the loss. This means that if you insure for a value of \$100 and the actual value is \$200 if there is a loss of \$50 you will be deemed to have self insured 50% of the risk and the insurer will only pay \$25. Make sure you declare the full value to be insured.

THE PRIVACY ACT 1998

The above act requires us to tell you that we collect your personal and other information to:-

- ➔ Decide whether to issue a policy and what terms may apply;
- ➔ Compile data and handle claims

In certain circumstances we may have to disclose your personal and other information to third parties. You have the right to seek access to your personal information and correct it at any reasonable time.

THE INSURANCE COMMENCES....

This insurance is not in force until the Insurer issues a Certificate of Insurance or confirms cover is in force in writing.

SUBROGATION

You may prejudice your rights with regard to a claim if, without prior agreement from your Insurers, you make any agreement with a third party that will prevent the Insurer from recovering the loss from that, or another party.

AVERAGE PROVISION - LIABILITY

A policy provision may state that where the amount required to settle a claim made against you exceeds the Limit of Liability under the policy the insurers shall be liable only for such part of the total costs and expenses associated with the investigation, defence, avoidance or reduction of any claim as the Limit of Liability bears to the amount required to dispose of the claim. This means that if you have to pay more than the Limit of Liability under the policy you will also have to bear some of the associated costs.

NOT A RENEWABLE CONTRACT

Professional Indemnity, Home Warranty and Construction Job Specific insurances expire at the end of the period of insurance stated on the POLICY SCHEDULE/Certificate we send to you. We emphasise these policies are NOT renewable contracts. If you wish to arrange new insurance for a new period it will be necessary for you to complete a new Application Form or Insurance Declaration prior to the expiry of this policy so that we can advise you of the premium required for the next period. THIS IS YOUR RESPONSIBILITY

CLAIMS MADE DURING THE PERIOD OF INSURANCE

(Claims Made Policies Only)

Your attention is drawn to the fact that this policy provides cover on a "claims made" basis which means that claims first advised to you (or made against you) AND reported to the Insurer during the period of insurance are insured irrespective of when the incident causing the claim occurred, subject to the provisions of any policy clause/s relating to "retroactive date".

You should also note that, in terms of the provisions of Section 40(3) of the Insurance Contracts Act 1984, where you give notice in writing to the Insurer of facts that might give rise to a claim against you as soon as is reasonably practicable after your becoming aware of those facts (but before the insurance cover provided by the contract expires) then the Insurer is not relieved of liability under the contract in respect of the claim, when made, by reason only that it was made after the expiration of the period of the insurance cover provided by the contract.

In order to ensure that any entitlement to indemnity under this policy is protected, you must report all incidents that may give rise to a claim against you to the Insurers without delay after such incidents come to your attention and prior to expiration of the policy period

APPLICABLE TO HOME WARRANTY INSURANCES ONLY

RECOVERY BASIS

You must realise that under the Individual Job Specific or Owner Builder Warranty insurance, you agree to comply with a request by the insurer to rectify or complete work, failing which you agree to pay back to the Insurer any money they are required to expend in the settling, defending, investigating or avoiding a claim or allegation made against you. This form of insurance protects the consumer only.

Claims Reporting Limits

The insurer is entitled to reduce their liability under the Policy or Certificate of Insurance issued thereunder for claims made against you, in Victoria, 180 days or more, in New South Wales, 90 days or more, after the day when the Beneficiary first became aware of the circumstances giving rise to the claim.

You are required to give to the insurer immediate notice of any circumstance which is likely to give rise to a claim or any claim made against you.

INSURER INSOLVENCY

Whilst we make every endeavour to only recommend to you those insurance companies of good financial solvency it is impossible for us to examine the capital adequacy of each insurer with whom we do business. Hence we are unable to make any comment as to the solvency or otherwise of any insurer.

If you are in doubt, please ring us and discuss.