

Builders Warranty Insurance Eligibility and Review Application

QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239 545



Insurance Coverage

Builders Warranty Insurance also known as Building Indemnity Insurance or Home Indemnity Insurance protects the person on whose behalf work is to be done and the subsequent homeowners for certain loss or damage resulting from noncompletion of the work or breach of statutory warranty because of death, disappearance or insolvency of the builder in line with the state legislation.

Letter of Eligibility (LOE)

Builders require a LOE from an approved Builders Warranty Insurer in order to qualify for and/or renew their Building Licence in most Australian states and territories. Upon receipt of this completed application form our underwriters will undertake an assessment of the financial position and technical qualifications/experience of the builder as part of the approval process. Approved applicants will then be issued with a LOE to enable them to comply with relevant law relating to the state/territory in which they operate. The LOE will clearly show the Approved Annual Turnover Limit, Annual Construction Limit, the type of construction for which the builder has been approved and relative expiry date. The LOE will be subject to review and the frequency of this process will be clearly communicated to the builder. The LOE cannot be used as a Certificate of Insurance. The LOE can be cancelled at any time at the discretion of QBE.

Issuance of Certificates

Licensed Builders that have been issued with a LOE can then proceed to apply for individual Builders Warranty Insurance Certificates (on a contract by contract basis) in order to meet statutory requirements. This process requires licenced builders to complete QBE's 'Job specific application form' or 'Multi unit development application form' (which may vary depending on the type of construction). Retrospective cover will not be provided for jobs already commenced prior to granting a LOE, unless QBE provides specific written consent.

Section 1 - Application checklist	
Applicant's Experience/Competency	
	Resume and qualifications for directors and nominated supervisors for new applications and for changes of directorship/nominated supervisor
	Business plan (if applicable)
	Technical references for job profiles above standard limits or for Multi-unit developments
Financial Statements	
	<ul style="list-style-type: none"> All financials should be prepared under accrual-based accounting AASB15 compliant financials are required for entities seeking an annual limit over \$5m General purpose financials are required for entities with revenue in excess of \$10M or applicants seeking an annual limit over \$10M Audited financials are required for entities with revenue in excess of \$50M where applicable
Sole-trader or Partnership	
	Profit and Loss statement including trading account for the last 2 financial years (a copy of the full tax returns as submitted to the Australian Tax Office will suffice). Please ensure that the Tax File Numbers are removed.
Company or Trust Structure	
	Full and final financial statements for the last 2 financial years (including profit and loss statement, balance sheet, notes to the accounts and compilation report. These must be signed by each of the directors of the company as being true and correct).
	If financials are older than 9 months, also provide interim statements no more than 3 months old (internally prepared accounts are acceptable providing they are signed by the directors or external accountant as being true and correct).
	Aged creditors and aged debtors listings as at the most recent financial statements provided, including commentary and payment plans for any accounts over 60 days.
	Copy of the Trust Deed for applicants operating as a trustee.
Group Structure	
	Copy of Group structure, related entity financial statements and an explanation and repayment plan for related entity loans
Personal Asset Position	
Proof of ownership for all assets declared in Section 6 including:	
Current rates notice/land title	Current bank statement
Motor vehicle registration	Current share portfolio statement

Section 2 - General business information

Name of business							
Legal name of the building entity (the applicant)							
Business address							State
							Postcode
ACN						ABN	
Business type	Sole trader	Partnership	Company				
Name as shown on building/contracting licence							
Licence no. (the applicant)						Date first obtained	
Contact person						Business phone number	
Email address							
Brief description of type of work your business undertakes							
State(s) of operation seeking cover	ACT (Builders Warranty Insurance) SA (Building Indemnity Insurance)			WA (Home Indemnity Insurance)			
State or Territories in operation	ACT	SA	WA	VIC	NSW	TAS	NT

Section 3 - Maximum annual construction limit

Existing eligibility turnover limit (\$):	Required turnover limit (next 12 months) (\$):	
Average building cycle		
Number of weeks from signing of contract to commencement of construction on site		
Number of weeks from commencement of construction to satisfactory completion/handover to the homeowner		
Category	Existing (\$)	Required (\$)
Single dwelling contract		
Alterations - additions		
Renovations - improvements		
Swimming pools		
Multi unit developments		
Other source of revenue in the previous 12 months (commercial/industrial)		
Other source of revenue for the next 12 months (commercial/industrial)		

Section 5 – Personal information/qualification/experience (Director/partners and nominated supervisor)

If the application is for more than two directors/partners/business proprietors/building practitioners or nominated supervisors then please photocopy this page and attach to the application.

Name			
Home address			
Phone number			
Name of nominated supervisor/nominee		Date of birth	
Licence no. <i>(please attach copy)</i>		Original issue date	
Qualifications:	Apprenticeship	TAFE course	Tertiary course
Please provide details of course/qualification and date completed			

Section 6 – Business and personal background information (Director/partners and nominated supervisor)

Where we say “you” in these questions we mean the person applying for this policy in their personal capacity as director, business proprietor, partner, building practitioner or nominated supervisor.

Where there are two or more directors/partners/business proprietors/building practitioners or nominated supervisors then please photocopy and complete this page for each person and attach to the Eligibility Application.

1. 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
2. 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
3. Is there any further 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
4. Have you or any business in which you were involved ever been insured with another Builders Warranty insurer?	Yes	No
5. Do you currently have Builders Warranty Insurance Eligibility with another provider? <i>(If so, please attach a copy of Letter of Eligibility)</i>	Yes	No
6. Have you or any business in which you were involved ever been declined Builders Warranty Insurance?	Yes	No
7. Has your previous Builders Warranty Insurance provider ever paid a claim or are you aware of any circumstances that may give rise to a claim? <i>(If so, please attach a copy of current Warranty Eligibility from insurer)</i>	Yes	No
8. 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
9. Have you had to provide a deed of indemnity or any other form of security to any other insurer?	Yes	No
10. Is the applicant a subsidiary of another entity or does it have any subsidiary companies?	Yes	No

Please provide details for any of the above questions which have been answered ‘Yes’

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Section 7 - Statement of personal assets and liabilities

This statement needs to be completed by each director, partner and proprietor of the business (please photocopy and attach this page to the application for each of the above). Already mentioned in the checklist.

Name of business - applicant's name

Name of sole trader/partner/director

Assets	Value (\$)	Share of ownership	Liabilities	Value (\$)
Principal residence at		%	Mortgage loan with	
Other property at		%	Mortgage loan with	
Other properties or vacant land at		%	Overdraft with	
			Limit	
Motor vehicle(s)			Vehicle finance with	
Other investments (e.g shares)			Other loans	
Cash at bank with			Trade creditors	
			Sole traders only	
Plant & machinery and tools of trade			Credit card and other personal debts	
Work in progress (sole traders only)				
Trade receivables (sole traders only)				
Loans and any monies owed to you				
Name of lender & repayment terms			Name of lender & repayment terms	
Total assets (\$)			Total liabilities (\$)	
			Contingent liabilities (\$)	

I declare that the above Statement of Personal Assets and Liabilities is true and correct.

Signature of person to whom this statement relates
(if online, type in your signature)

Date

Section 8 - Your duty of disclosure

Your duty of disclosure

Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.

You have this duty until we agree to insure you.

You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

If you do not tell us something

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

Section 9 - Service and delivery

In order for QBE to provide Builders with superior levels of service, please ensure the following:

- The application form is completed in full.
- All requested information/documentation is provided.
- The application has been signed and dated by all relevant parties.
- The checklist is used to ensure compliance.

The application form and additional information has to be lodged with your intermediary/broker. Please note that if the application is incomplete or missing any supporting documentation, we cannot process the application which will be returned to the intermediary resulting in delays and inconvenience to all parties.

Section 10 - Privacy

QBE's Privacy Policy describes how we collect, disclose, store and use your information and how you can access it, correct it or contact us to make a complaint. QBE may share your information with other QBE Group companies or with our authorised representatives and service providers, each of which may be based outside of Australia. You can view our Privacy Policy at www.qbe.com.au/privacy, or to obtain a copy of it you can phone us on 133 723 or request it from one of our authorised representatives or service providers.

By providing the information we've requested, you consent to QBE collecting, using and storing your information to issue, administer and manage the products and services you have or may wish to take with us in accordance with our Privacy Policy. If you've provided information about any other person, by submitting this form you confirm that you've let them know that you're providing their information and that you've obtained their consent to do so.

If you don't provide all of the information we've requested, we may be unable to issue you with a product or service or we may be unable to administer or manage it.

Section 11 – Applicant(s) 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 in this application.
2. I/we acknowledge that on issuance of an individual Builders Warranty Insurance 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 “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 materially alters or 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’s 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 any Australian court or tribunal 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.
11. I/we agree this document can be filled in, signed and sent electronically.

Declared by (Name)

For and on behalf of

Position/Title

Signature (if online, type in your signature)

Date (dd/mm/yyyy)

Declared by (Name)

For and on behalf of

Position/Title

Signature (if online, type in your signature)

Date (dd/mm/yyyy)