

Builders, Contractors & Trades



As part of our customer service we are devoted to keeping builders and contractors informed of changes that may effect you.

QBE enters the Home Warranty Market

QBE Insurance Australia Ltd ("QBE") is now providing home warranty insurance in NSW, Victoria, South Australia and Western Australia. QBE offers a refreshing approach to the assessment criteria for eligibility.

If you would like further information regarding QBE or any of our insurance products please contact our customer service team on 1300 300 431 or 1300 722 116.

Australian Home Warranty - a division of Australian Underwriting Services Pty Ltd (AHW)

We are now offering home warranty insurance through this insurer. This means we are able to offer a greater level of service as we can obtain eligibility terms through 5 different insurers; AHW, CGU Insurance Ltd, Lumley General Insurance Ltd, QBE and Vero Pty Ltd.

NSW

Recently the Office of Fair Trading: Home Building Service announced amendments to the Home Building Amendment Act 2004. The amendments are to insurance provisions, licensing provisions, disciplinary and compliance provisions.

The building laws and regulations have undergone changes that:

- Establish a new governance structure for home warranty insurance providers and implement associated insurance reforms;

- Strengthen the builder licensing system;
- Provide for increased penalties for breaches of the legislation; and
- Put in place other miscellaneous reforms.

To obtain a copy of the complete amendments please visit the Office of Fair Trading web site www.fairtrading.nsw.gov.au/building. You will find the changes under the heading "Recent Reforms".

We encourage you visit the Office of Fair Trading web site as there are numerous amendments and additions.

Guide to Home Warranty Insurance

We have developed a guide to help you or your accountant better understand the assessment criteria for Home Warranty. The guide is available on our web site www.jlta.com.au/bis.shtml or by contacting 1300 300 431 or 1300 722 116.

Tasmania

There have been recent changes to the Building Act 2000 being "Building Amendment Regulations 2005" and "Building Amendment Regulations (No.2) 2005".

Please visit the Tasmanian Legislation web site for full details or to download the changes on www.thelaw.tas.gov.au/browse/index.w3p Select "all" Title starts with "B" then click "search".

Northern Territory

Changes come into effect in 2006 for residential building work. Builders who build new houses, new residential units or extensions with a contract price

above \$12,000 will need to register with the Building Practitioners Board. These builders have until 30 July 2006 to apply for registration, however, after January 2006 they will be unable to commence new work until they are registered.

Home Warranty Insurance for this State is proposed to commence in July 2006. We will keep you updated of the changes.

Changes to the NSW contractor/supervisor licence applications

In the past licence applicants who could demonstrate a number of years practical experience in the building industry could obtain a licence or a qualified supervisors certificate after being assessed by the building Industry Skills Centre of TAFE. This was known as the "20 year rule".

This way of obtaining a licence has now been discontinued by the Office of Fair Trading. Applicants will now be required to obtain an approved qualification.

For full details regarding qualifications, you can view the [*Qualifications for residential building work*](#) brochure at www.fairtrading.nsw.gov.au/building.

Transitional arrangements are in place for:

- Existing licensees;
- Applicants holding previously approved qualifications; and
- Applicants who have already been assessed by, or have booked an assessment with, the Building Industry Skills Centre prior to 1 January 2006.

Builder Home Warranty Visits

Although our Home Warranty Insurance office is in Sydney, we do understand the need for us to visit existing and new clients in other regions. Representatives from our home warranty team along with an underwriter from QBE recently had a successful visit to the Hunter region of NSW.

We will be escalating these visits over the coming year with the next one planned for the Mid North Coast area of NSW in February 2006.

Australian Insurance Market

Recent media reports indicate global reinsurers are seeking rate increases for risks that primary insurers do not wish to retain.

These increases range from 10% to 20% on a wide range of commercial insurance lines and come as a result of the significant overseas losses ie; hurricane seasons in the United States.

Whilst construction risks and liability premiums have continued to improve over the past 2 years with major Australian insurers, these companies in the main are reportedly operating with strong balance sheets, coupled with increased regulatory requirements administered by the Australian Prudential Regulation Authority.

It is expected Australian pricing will remain competitive and stable, particularly for those businesses who adopt strong risk management procedures in their building and contracting activities.

Does your Insurance Policy meet your requirements?

JLT BIS have dedicated brokers that are happy to discuss any of your questions with you because our staff are specialists who work on these issues every day.

Not only do we make sure you have cover that is tailored for you, we use a specialised wording for the Building Industry. Whether you are after an annual contract works policy or a single project cover, JLT BIS can assist you with your insurance needs.

We can also offer you a quote over the phone for Liability/Tools insurance.

Disclaimer

The information in this publication is of a general nature as a service to clients and other interested parties. The articles included are not intended to provide a complete discussion of each subject. While the information is believed to be correct, no responsibility is accepted for its accuracy. No liability is accepted for any statements of opinion or any error or omission.

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