

# JLT NEWS FLASH

Additional Home Warranty Insurer for Builders

## Builders, Contractors & Trades



### Updates in the industry and JLT Services – How can we best serve you?

With so many changes in the Building and Insurance industry, it can be a challenge to keep on top of things. As a builder, construction should be the main focus of your business - not the complicated issues of insurance.

So the staff at Jardine Lloyd Thompson Builders Insurance Services (BIS) are keen to keep you informed. BIS is pleased to announce that we will be able to offer builders a range of Home Warranty Insurance products. In addition to Vero and CGU Home Warranty, Lumley General Insurance is now available to builders subject to turnover levels. Read further for more information. By providing a range of products to our builders, you can be sure that we cater for businesses of all sizes.

### CGU

CGU now offers Home Warranty Insurance in NSW, Victoria, South Australia and Western Australia.

Approved applications with CGU will be eligible to apply for individual policies on projects to the value of \$400K for Single Dwellings, Units/Duplex's and Structural Improvements and \$75K for Non-Structural Improvements.

### CGU Underwriting Guidelines CGU's preferred Net Tangible Worth

<b>New Builder</b>	<b>\$15k</b>
<b>&lt;\$2.5 million</b>	Up to 5% of annual limit requested
<b>&gt;\$5 million</b>	Up to 10% of annual limit requested

**Development Applications/Multi Dwelling Applications** – CGU do not require the Developers financials for any Multi Dwelling applications. Only a Multi Dwelling application form, evidence of ownership, Copy of the building contract and funding arrangements for the project are required.

### CGU 'Switch Now Application'

If you are currently approved for Vero Home Warranty Insurance with an annual limit up to \$2.5 mil, and have a category 1, 2 or 3, CGU will automatically transfer and match your existing eligibility and offer 25% increase on limits.

To take advantage of this offer contact us for an application form. The good news doesn't stop here. The Switch Now application does not require a financial assessment and all you need to provide is the current Letter of Eligibility from your current insurer with evidence of your category rating and a work in progress report setting out all jobs under construction.

The Switch Now application is not available to Swimming Pool Builders, Speculative building activity greater than 25% of annual turnover or if your existing eligibility is secured by a Bank Guarantee.

Existing Premium Risk Categories will be honoured as follows:

<b>Category 1</b>	Premium Risk Grade A
<b>Category 2</b>	Premium Risk Grade B+
<b>Category 3</b>	Premium Risk Grade B

You can choose to have a full eligibility assessment done if you wish, whereby CGU underwriters will provide the best terms possible to you based on your financial strength and track record. Builders seeking an assessment should complete the normal Eligibility application supported with standard requirements and financial reports.

The Switch Now product is available until 28 February 2005.

## Lumley

Lumley Insurance is now offering Home Warranty Insurance for builders with a turnover subject to their requested turnover and range selection. At this stage insurance is only available to NSW and Victorian builders, however, during 2005 it will be available in other states.

Lumley will consider your track record and experience whilst the basic underwriting criteria is assessed. All that is required from you is an Eligibility and Project application plus 3 years Financial Statements.

Lumley will analyse the following areas of the builders business to offer Home Warranty Insurance:

- Financial strength and consistency
- Experience of the Principals
- History of the business

- Business processes and controls to ensure consistent quality building
- Industry reputation – eg industry awards and memberships

Generally, Lumley is using the following guide to measure the financial strength of the business:

- Having at least 5% Net Tangible Worth of the annual limit requested
- Positive Liquidity
- Stable or Improving return on assets
- Stable or improving Gross Profit and Net Profit Margins
- Business not having made a loss in the past 3 years
- Positive trade references from trade suppliers

If you are trading as a trust Lumley will require a copy of the Trust Deed and financial statements for the trust.

## Appointing an alternative broker

If you currently have Eligibility with Vero and wish to appoint JLT as your broker for HWI, all is required from you is a Letter of Appointment, Builder Profile Change application, most recent Financial Statements and a copy of your most recent Certificate of Eligibility and Vero will be happy to provide the same terms within a 72 hour turnaround time.

JLT offers fast personalised service. If you are currently insured through another broker for any of your insurance policies, JLT are happy to provide you with free, no obligation quotes.

Our staff are here to help you get the best you can from your insurance and to make the process simple and easy.

Call us to speak to one of our experienced staff to find out more.

## 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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