

# Eligibility application for builder with up to \$5m in annual turnover

QBE Insurance (Australia) Limited ABN 78 003191 035 AFSL 239 545



## Insurance Coverage

Residential 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.

## Letter of Eligibility (LOE)

Builders require an LOE from an approved Home 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 an 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 an LOE can then proceed to apply for individual Residential Builders Warranty 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 an LOE, unless QBE provides specific written consent.

## Service & Delivery

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

- The application form (original) 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 original 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.

QBE's Residential Builders Warranty Division further strengthens our commitment to the Australian Construction Industry. The other specialist construction insurance products that we offer include Contract and Deposit Bonds, Contract Works and Liability.

## Section 1 - General business information

Name of business (the Applicant)							
Legal name of the building entity							
Business address							State
							Postcode
ACN						ABN	
Business type	Sole trader	Partnership	Company				
Name as shown on building/ contracting licence							
Licence number						Date first obtained	
Contact person						Business phone number	
Name of nominated supervisor/ nominee						Date of birth	
Licence number						Mobile 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	NSW	ACT	VIC	SA	WA	TAS	NT

## Section 2 - Maximum Annual Construction Limit

Annual value of works requiring Builders Warranty Insurance ('Eligibility' amount)	\$	
Maximum job value :		
Maximum job value (\$)	Number of jobs	
Single dwelling		
Alterations - Non-structural works		
Alterations - Structural works		
Kitchens		
Bathrooms		
Kit homes		
Swimming pools		
Multi units - up to 3 levels ('Eligibility' amount)	per unit	
Architect tendered projects		
Domestic Building Cycle		
Average lead time	weeks	Average build time
		weeks

### Section 3 – Statement of Personal Assets and Liabilities (photocopy this page if more space required)

This Section requires completion by the following: 1. Sole Trader 2. Each partner in a Partnership  
3. All directors of a company

Name			
Assets	Value (\$)	Liabilities	Value (\$)
Principal residence at		Mortgage loan with	
Other Property at (copies of rates notices for each property required)		Mortgage loan with	
Motor vehicle(s)		Vehicle finance with	
Other Investments		Other Loans	
Cash at bank with		Credit cards/Other Loans	
Work in progress (sole traders only)		Overdraft progress (sole traders only)	
Trade receivables (sole traders only)		Trade payables progress (sole traders only)	

### Section 4 – Business and personal background information

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. 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
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 Eligibility with another provider? (If so, please attach a copy of Letter of Eligibility)	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? (If so, please attach a copy of current Warranty Eligibility from insurer)	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. Do you currently have a bank guarantee lodged with any other insurer? (If so, please indicate the amounts in the space below)	Yes	No
10. Have you had to provide a deed of indemnity or any other form of security to any other insurer?	Yes	No
11. 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”		

## Section 5 - 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 6 - 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 3.

### Financial Information required for all Applicants

#### 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.
- If the current year financial statements are older than six months, a copy of the interim financial statements are required (internally prepared accounts are acceptable providing they are signed by the directors/partners or external accountant as being true and correct and are prepared using a recognised accounting package).

## Section 7 - 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](http://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 8 - 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 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 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)