

FREQUENTLY ASKED QUESTIONS

Domestic Building Insurance

Changes to Victorian domestic building insurance from 1 July 2015

From 1 July 2015, there are some important changes being introduced regarding domestic building insurance in Victoria. In March 2010, the Victorian Government directed the Victorian Managed Insurance Authority (VMIA) to offer domestic building insurance to Victorian builders. QBE issues domestic building insurance policies as VMIA's agent.

VMIA is a statutory authority whose operations are governed by the Victorian Managed Insurance Authority Act 1996. To find out more, visit www.dbi.vmia.vic.gov.au.

What changes are happening to Victorian DBI from 1 July 2015?

From 1 July 2015, VMIA will be implementing three changes to improve the Victorian domestic building insurance arrangements:



1. Searchable builder listing via VMIA website

Consumers will be able to check that their builder is eligible for domestic building insurance with VMIA*. The details available will be:

- Builder's name
- Builder's ABN and/or ACN
- Whether the builder is eligible for domestic building insurance.

2. Property search request

A new facility on the VMIA's website will enable an online request to be made to check the status of a Certificate of Insurance issued after 1 July 2015. VMIA will issue a statement that will include:

- Whether a Certificate of Insurance has been issued for the property since 1 July 2015
- Policy No.
- Name of builder whose works are insured under the domestic building insurance policy
- Whether any claims have been made under the policy
- The balance of indemnity remaining under the policy.



3. New insurable event (or 'trigger') for Certificate of Insurance issued on or after 1 July 2015

In addition to the death, disappearance and insolvency triggers, for policies issued from 1 July 2015, consumers will be able to make a claim on their domestic building insurance policy if their builder has failed to comply with a Tribunal or Court Order after 28 days.

The order must have been made either by:

- VCAT, or
- A court, including the Magistrates' Court, County Court and Supreme Court of Victoria.

To satisfy the 'trigger', the following conditions must be met:

- The order must be a Final Order
- The builder must have failed to comply with Order; and
- All appeal periods must have expired.

Why are these changes being made?

The changes are designed to:

- Improve access for Victorian consumers to information about builder eligibility and insured property status, and
- Improve the level of protection for consumers by the introduction of the new policy 'trigger' for non-compliance with VCAT/court orders.

What do I need to do?

For sole traders and partnerships:

VMIA needs to obtain consent to enable the builder details to be searchable on our website. In mid-May, VMIA will send a letter to all sole traders and partnerships enclosing this consent form. If you agree, please sign and return the form following the instructions on the first page of the form. An example of this letter and form has been provided to your broker.

For companies:

As a company, you do not need to provide consent for the domestic building insurance eligibility status to be made publicly available. That is, we can upload the information without needing your consent.

Will I have to complete the consent form each year?

No. From mid-May 2015, all builder application forms will be updated to reflect the changes and include the consent to release information. These forms will be available on QBE's website at <http://www.qbe.com.au/Business/Builders-Warranty/Insurance-Cover-State/VIC-Victoria/Insurance.html>. You (or your broker) can begin using the new forms immediately. If you complete a new Job Specific Application form or a new Eligibility Review Application Form, consent regarding the proposed changes is obtained at that time.

The new forms are compulsory from 1 July 2015. Each new form is readily identified with a green border (see sample right) and only these forms will be accepted from 1 July 2015. Your broker will be able to provide you with a copy of the new forms.

What if I believe my details are wrong?

Please contact your broker for assistance.

What about privacy issues?

You will be able to search for your building business on the VMIA website to see what information about your eligibility status is being made public.

If you are a sole trader/partnership, you are required to provide us with your written consent prior to the information being made available publicly. If you are a company you do not need to provide your consent.

FROM 1 JULY 2015, THIS FORM MUST BE USED. NO OTHER VERSION WILL BE ACCEPTED.



QBE Insurance (Australia) Limited
428 BOURKE STREET | MELBOURNE VIC 3000
Phone: (03) 9246 2666 | Fax: (03) 9246 2671
ABN: 78 003 191 035
AFL Licence No: 29566



APPLICATION FOR ELIGIBILITY FOR DOMESTIC BUILDING INSURANCE (Up to \$5 million annual turnover)

ABOUT THIS FORM
This form will help us decide if the applicant is eligible for domestic building insurance cover. If we decide the applicant is eligible for cover, we will rely on the information in this form. You must therefore ensure you answer all questions truthfully.

Who should complete this form?
This form should be completed by businesses (sole traders/partnerships/companies) - hereinafter referred to as the 'Applicant' - seeking eligibility for domestic building insurance cover for domestic building work, the total value of which will not exceed \$5 million per year.

ELIGIBILITY WITH QBE/VMIA, WITH ADDITIONAL COVER FROM 1 JULY 2015
The insurance being applied for is issued by QBE Insurance (Australia) Limited (QBE) as agent for the Victorian Managed Insurance Authority (VMIA) in accordance with the Ministerial Order for Domestic Building Insurance issued under section 135 of the Building Act 1993 (Vic), with additional cover if the Applicant fails to comply with a Tribunal or Court Order for certificates of insurance issued on or after 1 July 2015. The VMIA is a statutory corporation and is the insurer.

INFORMATION DISCLOSED IN THIS FORM AND YOUR PRIVACY
Both QBE and the VMIA are committed to safeguarding your privacy and the 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, administering any domestic building insurance policies which may subsequently be issued, including any claims under such policies, and any recoveries and use it in a way that you would 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. By providing this personal information to us, you consent to us disclosing your personal information to:

- insurance intermediaries
- insurance reference bureaus
- credit reference agencies
- our advisers
- the Victorian Building Authority or other authorities established to regulate or report on the building industry
- those involved in the claims handling process (including assessors and investigators) for the purpose of assisting us and them in providing relevant reporting, regulation, services and products, or for the purposes of litigation.

You also consent to us disclosing your personal information to:

- the owners of any building work undertaken by the Applicant which is insured by us
- family members or agents authorised by you
- organisations which conduct customer service surveys on our behalf
- people making enquiries as to whether a nominated builder is eligible for domestic building insurance
- people making enquiries for details of any domestic building insurance issued in respect of a nominated property.

Such personal information is limited to:

- o policy number
- o policy inception date
- o property address
- o name of builder
- o whether a claim has been made
- o the amount of any indemnity remaining under the policy.

ACCESS TO YOUR PERSONAL INFORMATION
You can request access to the personal information we hold about you by contacting:

QBE Insurance (Australia) Limited
428 Bourke Street
Melbourne Victoria 3000
Phone: 03 9246 2666

VMIA
PO Box 18409
Collins St East Victoria 3003
Phone: 1300 933 464

YOUR DUTY OF DISCLOSURE
We require you to disclose to us every matter that you know, or could reasonably be expected to know, is relevant to our decision whether to issue insurance to the Applicant and on what terms. We require you to disclose those matters to us before we renew, extend, vary or reinstate the Applicant's eligibility or issue a certificate of insurance. You are not, however, required to disclose any matter that diminishes the risk to us that is of common knowledge, that we know or in the ordinary course of our business ought to know or any matter which we waive. We will rely on the information that you provide to us in determining whether to continue to provide insurance to the Applicant and on what terms.



Victorian Managed Insurance Authority
ABN: 69 452 497 641
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www.dbi.vmia.vic.gov.au

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sample form

For further information about the changes from 1 July 2015, please contact your broker.

www.dbi.vmia.vic.gov.au

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