



Insurance services

YOUR INSURANCE PARTNER

Builder Profile Change

Please return the completed original application form and all requested supporting documentation to the HIA Insurance Services office in your Capital City:

IMPORTANT NOTES

The Builder Profile Change application has been developed to assist you in the submission of your Home Warranty Insurance Builder Profile Change application.

Please **ensure all questions are completed** on the Builder Profile Change application, and that the application form is signed and dated.

All documentation requested in the Builder Profile Change application, must be submitted with your completed application form.

Incomplete applications cannot be assessed by the Insurer.

When you first apply for Home Warranty Insurance, your Insurer will set a 'profile' on your business based on the information you provide in your application; at the same time they will set your premium rating category.

Your profile sets the parameters for projects that the Insurer will approve for you. This profile will have limits approved for your business in respect of the following (jobs falling outside these limits can only be accepted following referral to the Insurer):

- The total value of works that can be insured before a review of your profile is required by the Insurer. This is known as **"Maximum Moving Year Turnover"**.
- The maximum contract amount for each dwelling type e.g. single dwellings, alterations and additions. These are known as **"Maximum Contract Values"**.
- The types of construction projects that you have nominated. (and have been approved by your Insurer) These are known as **"Dwelling Types"**.
- Frequency of Financial Reporting to the Insurer.
- Architect/Designer Tendered Approval.

All Builders will generally undergo reassessment of their profile, by the Insurer, on an annual basis, however there are certain circumstances that require a review of the approved profile to be requested by either the Insurer or you the Builder.

For further information on Home Warranty Insurance, the assessment process and the Insurer's requirements, please refer to our Builders Information Kit which is located on our website at www.hiainsurance.com.au.

> please indicate the reason/s as to why a Builder Profile Change application is being submitted:

- Review of Premium Rating Category
- Review of Maximum Moving Year Turnover.
- Require Approval for Architect/Designer Tendered Projects.
- Review of Dwelling Types and Maximum Moving Contract Values.
- Review Requested by the Insurer.

Please refer to the attached list of documentation, that is specific to your entity type, to ensure that you include all required documentation with this application.

POSTAL ADDRESSES

| | |
|--------------------|---|
| VIC | PO Box 4897 VV, Melbourne VIC 3001 Phone 1300 554 227 • Fax (03) 9666 0290 |
| TAS | GPO Box 182 Hobart TAS 7001 Phone (03) 6234 9770 • Fax (03) 6234 9735 |
| NSW | PO Box 883, North Ryde BC 1670 Phone 1300 200 201 • Fax (02) 9808 7233 |
| ACT | GPO Box 2188, Canberra ACT 2601 Phone (02) 6230 4985 • Fax (02) 6230 0541 |
| SA & NT | PO Box 550, Hindmarsh SA 5007 Phone 1300 600 601 • Fax (08) 8340 7599 |
| WA | PO Box 1494 Osborne Park WA 6915 Phone 1300 800 801 • Fax (08) 9443 8166 |
| Website: | www.hiainsurance.com.au |

> Section I BUSINESS DETAILS

Your Business Trades as a: Sole Trader Partnership Company Trust

Name of Business (under which you contract):

Name of Designated Practitioner/License Holder:

Office Address: State: Postcode:

Postal Address: State: Postcode:

HIA Membership No:

HIA Membership Expiry Date: (dd/mm/year)

Business Phone:

Home Phone:

Mobile:

Facsimile:

Email Address:

A.B.N. No:

A.C.N. No:

> building license

1. Name as shown on Building License: (primary state where business is carried out)

State in which this license is applicable: License/Registration No:

2. Name as shown on Building License:

State in which License is applicable: License/Registration No:

3. Name as shown on Building License:

State in which License is applicable: License/Registration No:

> external accountants

Accounting Firm Name:

Contact Name: Business Phone:

> job costing system

Do you utilise a Job Costing System?
 NO YES (If so, please tick one of the boxes below)
 Manual Customised Computer System Recognised Computer System

> frequency of financial reporting

Do you utilise a computerised accounting system?
 NO YES (If so, please tick one of the boxes below)
 Annual Quarterly Monthly



> trade credit references (please provide the names of 3 building material suppliers who can confirm your credit payment history)

1. Company:

Business Phone:

Facsimile:

2. Company:

Business Phone:

Facsimile:

3. Company:

Business Phone:

Facsimile:

> Section 2 DETAILS OF ALL DIRECTORS/PRINCIPALS OF THIS BUSINESS

1. Name:

Date of Birth: (dd/mm/year)

License/Registration No. held by individual: (if applicable)

Your Building Experience over the past 5 years other than as a director/principal of this business.

A. Name of Business:

Position held:

Dates Position held: (mm/year)

B. Name of Business:

Position held:

Dates Position held: (mm/year)

2. Name:

Date of Birth: (dd/mm/year)

License/Registration No. held by individual: (if applicable)

Your Building Experience over the past 5 years other than as a director/principal of this business.

A. Name of Business:

Position held:

Dates Position held: (mm/year)

B. Name of Business:

Position held:

Dates Position held: (mm/year)



> **shareholders/trust unit holders** (if applicable)

1. Name:

2. Name:

3. Name:

4. Name:

> **trusts** (if applicable)

Trust Type:

Discretionary

Unit

Fixed

Trust Name:

Trustee: (applicant)

> **Section 3 HISTORY**

1. What date did this business commence trading? (dd/mm/year)

2. How long has this business been licensed?

3. How long have the Principal/s or Director/s of this business been licensed?

4. Have there ever been any matters handled by the Statutory Building Disputes Tribunals that resulted in orders for rectification or payment against this business or any business for which any director, principal, shareholder or manager of this business was involved?

NO YES (If so, please provide details below)

5. Have the directors, principals, shareholder or managers of this business ever been a director, principal, shareholder or manager of any business which was ever in external administration, liquidation, receivership or any arrangement (formal or informal) to repay outstanding debts with creditors?

NO YES (If so, please provide details below)

6. Have the directors, principals, shareholders or managers of this business ever been a director, principal, shareholder or manager of any business which was ever in bankruptcy or under a trustee in bankruptcy?

NO YES (If so, please provide details below)

7. Have the directors, principals, shareholders or managers of this business ever previously insured with HIA Insurance Services in a different business name?

NO YES (If so, please provide details below)

8. Is this business currently insured with another Home Warranty Insurer for any ongoing construction work?

NO YES (If so, please provide a Job Status Report on all outstanding/open residential projects. Please include site address, commencement date, contract value and percentage completed for each project)

9. Have the directors, principals, shareholders or managers of this business ever been a director, principal, shareholder or manager of any business which has ever insured with another Warranty Insurer?

NO YES (If so, please attach current evidence of Warranty with past Insurer or evidence of claims clearance)

10. Have the directors, principals, shareholders or managers ever been a director, principal or manager of any business that has ever been declined Home Warranty Insurance?

NO YES (If so, please provide details below)

11. Have the directors, principals, shareholder or managers of this business ever had a builders license/registration refused or cancelled in any state or territory in Australia?

NO YES (If so, please provide details below)

12. Does this business currently have a Bank Guarantee lodged with any other Insurer?

NO YES (If so, please provide Limit →) Limit \$

13. Does this business or the directors, principals, shareholders or managers of this business have a Deed of Indemnity with any other Insurer?

NO YES (If so, please provide details below)

14. Has this business or the directors, principals, shareholders or managers of this business given any other form of security to another Home Warranty Insurer?

NO YES (If so, please provide details below)

Please provide a detailed explanation for all questions answered YES in this section.

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> Section 4 ARCHITECT/DESIGNER TENDER APPROVAL

Please complete if you are not already approved

Do you intend to undertake Architect/Designer Tendered projects?

YES (If so, please provide two (2) written references for work previously completed and the supplemental architect/draftsman's statement) NO

1. Architectural Firm:

Address: State: Postcode:

Contact Person: Telephone:

Job Address: State: Postcode:

Your Role in Project:

Contract Value: \$ Project Type: Date Completed: (dd/mm/year)

2. Architectural Firm:

Address: State: Postcode:

Contact Person: Telephone:

Job Address: State: Postcode:

Your Role in Project:

Contract Value: \$ Project Type: Date Completed: (dd/mm/year)



> Section 5 BUILDER PROFILE REQUIREMENTS

Please select the reason/s for the review of your existing Builder Profile, and complete the relevant questions accordingly.

A. Review of Premium Rating Category

Current Premium Rating Category:

B. Review of Maximum Moving Year Turnover

Current Approved Maximum Moving Year Turnover for Home Warranty Insurance:
 \$

Required Maximum Moving Year Turnover for Home Warranty Insurance:
 \$

| TURNOVER BREAKDOWN | PAST FINANCIAL YEAR AS AT (dd/mm/year) | | | | ANNUAL LIMIT REQUIRED |
|---|--|----------------------|----------------------|----------------------|-----------------------|
| | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Subcontracting or other Turnover | \$ | <input type="text"/> | \$ | <input type="text"/> | |
| Turnover Residential Contract requiring Home Warranty Insurance | \$ | <input type="text"/> | \$ | <input type="text"/> | |
| Turnover Residential Contract not requiring Home Warranty Insurance | \$ | <input type="text"/> | \$ | <input type="text"/> | |
| Residential Turnover in own specs | \$ | <input type="text"/> | \$ | <input type="text"/> | |
| Number of Commercial Projects | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Commercial Contracts Turnover | \$ | <input type="text"/> | \$ | <input type="text"/> | |
| Commercial Turnover in own specs | \$ | <input type="text"/> | \$ | <input type="text"/> | |
| TOTAL BUSINESS TURNOVER | \$ | <input type="text"/> | \$ | <input type="text"/> | |

If you have not undertaken any building activity in the past 2 years, what has been the nature of your employment or business over the past 3 years?

C. Require Approval for Architect/Designer Tendered Projects

Please ensure Section 3 of this application form is completed and that two (2) written references are provided. A supplemental architect/draftsman's statement is required to be provided with all new applications for approval for architect/designer tender projects. Please ensure that this is also included as part of your application form.

D. Review of Dwelling Types and Maximum Contract Values

| DWELLING TYPES | DWELLING DESCRIPTION | ESTIMATED NUMBER TO BE CONSTRUCTED | MAXIMUM CONTRACT VALUE REQUIRED |
|------------------------|--|------------------------------------|--------------------------------------|
| Single Dwellings | New Homes/Houses | <input type="text"/> | \$ <input type="text"/> |
| Alterations | Structural Alterations and/or Additions | <input type="text"/> | \$ <input type="text"/> |
| Improvements | Non-Structural Construction Work | <input type="text"/> | \$ <input type="text"/> |
| Multi-Unit | 3 or more Residential Dwellings (4 or more in NSW) on the one contract or site | <input type="text"/> | \$ <input type="text"/> |
| Swimming Pools | In-ground Swimming Pools | <input type="text"/> | \$ <input type="text"/> |
| Units/Duplex/Villas | Less than 3 Residential Dwellings (Less than 4 in NSW) on the one contract or site | <input type="text"/> | \$ <input type="text"/> per dwelling |
| Kit Homes | Building components sold with plans or instructions to build | <input type="text"/> | \$ <input type="text"/> |
| High Rise Developments | Residential Development exceeding 3 storeys (NSW only) | <input type="text"/> | \$ <input type="text"/> |
| Other | <input type="text"/> | <input type="text"/> | \$ <input type="text"/> |
| | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| | <input type="text"/> | <input type="text"/> | <input type="text"/> |

Please advise the Maximum Contract Value for all Dwelling Types that you intend to construct (including both new and previously approved Dwelling Types). Please also estimate how many you will endeavour to construct over the forthcoming 12 months.

Please provide 2 written technical references from Building Surveyors, Engineers or Architects to support the limits and Dwelling Types you have requested, if any of the above Maximum Contract Values exceed \$350,000. References must refer to similar size and type of projects constructed in the past 5 years.

1. Referee

Job Address: State: Postcode:

Contract Value: \$ Project Type:

Your Role in Project: Date Completed: (dd/mm/year)

2. Referee

Job Address: State: Postcode:

Contract Value: \$ Project Type:

Your Role in Project: Date Completed: (dd/mm/year)

E. Review Requested by the Insurer

As per notification informing of the requirement for a review of your profile dated (dd/mm/year)

Please attach a copy of this notification to your application.

> Section 6 PERSONAL ASSETS AND LIABILITIES FOR EACH PRINCIPAL, PARTNER OR DIRECTOR

Builder Name: A.B.N. No:

Name of Sole Trader/Partner:

| > assets | Value | > liabilities | Owing |
|--|-------------------------|---|-------------------------|
| Principal Residence at: | <input type="text"/> | Mortgagee Loan with: | <input type="text"/> |
| House at: | \$ <input type="text"/> | Mortgagee Loan with: | \$ <input type="text"/> |
| House at: | \$ <input type="text"/> | Mortgagee Loan with: | \$ <input type="text"/> |
| Business Premises at: | \$ <input type="text"/> | Mortgagee Loan with: | \$ <input type="text"/> |
| Other Properties/Vacant Land at: | \$ <input type="text"/> | Mortgagee Loan with: | \$ <input type="text"/> |
| | \$ <input type="text"/> | | \$ <input type="text"/> |
| | \$ <input type="text"/> | | \$ <input type="text"/> |
| | \$ <input type="text"/> | | \$ <input type="text"/> |
| Motor Vehicles: (make/model/year) | \$ <input type="text"/> | Vehicle Finance with: | \$ <input type="text"/> |
| | \$ <input type="text"/> | | \$ <input type="text"/> |
| | \$ <input type="text"/> | | \$ <input type="text"/> |
| | \$ <input type="text"/> | | \$ <input type="text"/> |
| | \$ <input type="text"/> | | \$ <input type="text"/> |
| Other Investments: | \$ <input type="text"/> | Finance with: | \$ <input type="text"/> |
| | \$ <input type="text"/> | | \$ <input type="text"/> |
| | \$ <input type="text"/> | | \$ <input type="text"/> |
| | \$ <input type="text"/> | | \$ <input type="text"/> |
| Cash On Deposit With: | \$ <input type="text"/> | Bank Overdraft with: | \$ <input type="text"/> |
| | \$ <input type="text"/> | | \$ <input type="text"/> |
| | \$ <input type="text"/> | | \$ <input type="text"/> |
| Business Equipment/Tools of Trade: | \$ <input type="text"/> | Equipment Finance With: | \$ <input type="text"/> |
| | \$ <input type="text"/> | | \$ <input type="text"/> |
| Work In Progress: | \$ <input type="text"/> | Credit Card/Other Personal Debts: | \$ <input type="text"/> |
| Trade receivables, loans and other monies owed to you: | \$ <input type="text"/> | Trade payables, loans and other monies owed by you: | \$ <input type="text"/> |

Declaration: The undersigned declares all of the above information to be true, complete and correct as at the date appearing below. The undersigned states that he/she has never been bankrupt nor has any judgement been obtained or any legal proceeding brought against him/her.

Declared by: (print name) Partner/Wife: (print name)
 Signature: Signature: (Partner/Wife)
 Date Completed: (dd/mm/year)

> Section 7 BUILDER DECLARATION

- I/We acknowledge that if insurance is granted in respect of any building under the policy issued by the insurer Vero it is the owner who is insured and not me/us as the applicant/builder.
- I/We confirm that the details on this application form are true and represent a fair and accurate representation of the affairs of the applicant/s.
- I/We acknowledge that the insurers reserve the right to reject any application for insurance and seek additional information from me/us as required from time to time.
- Completion of this application or acceptance by the insurers or their agent does not create any contract of insurance or give the right to insurance. A separate application must be made in respect to each residence.
- Vero and its officers are hereby authorised (from time to time and at any time) to seek such information as they may require concerning the financial position of the applicant from:
 1. Suppliers of materials and services, or subcontractors and or
 2. Credit reporting agencies.
 3. Accountant is listed in this Builder Profile Change Application form.
- I/We agree to reimburse Vero for their reasonable costs of investigating any claim. This only applies if I/We act unreasonably in respect to the claim.

> entity declaration

Declared by: (print name)

For and behalf of:

Signature:

Date:

PRIVACY NOTICE

The Aon Group of companies have always valued the privacy of personal information. From 21 December 2001, when we collect use, disclose or handle personal information, we will be bound by the Privacy Act 1988.

We collect personal information to offer, provide, manage and administer the many financial services and products we and our group companies are involved in. These include insurance broking and claims management, risk management consulting, other forms of insurance services (including underwriting of insurance products and reinsurance), employee benefits, premium financing, superannuation and investment advisory service. We also collect it to be able to develop, establish and administer alliances and arrangements with other organizations in relation to the promotion, administration and use of our respective products and services.

We disclose personal information to third parties we believe are necessary to assist us and them in providing the relevant services and products (e.g. our clients, the relevant product issuer and their representatives, our agents and contractors and related companies.) We limit the use and disclosure of any personal information provided by us to them for the specific purpose for which we have supplied it.

When you give us personal information about other individuals, we rely on you to have made or make them aware that you will or may provide their personal information to us, the purpose we use it for, the types of third parties we disclose it to and how they can access it. If it is sensitive information we rely on you to have obtained their consent on these matters. If you have not done either of these things, you must tell us before you provide the relevant information.

If you collect, use, disclose or handle personal information on our behalf, or receive it from us, you and your representatives must meet the relevant requirements of the National Privacy Principles set out in the Privacy Act 1988 and only use and disclose it for the purposes we agreed to.

If you would like a copy of our Privacy Policy, or wish to seek access to or correct the personal information we collected or disclosed about you, please telephone or e-mail your HIA Insurance Services contact or access our website at www.hiainsurance.com.au





Builder Profile Change - Notes to aid the Builder

Name of Business: The name on your Builder Profile Change application form, must be the same name under which you sign contracts and are licensed to build. This will also be the name under which your financial accounts are published and submitted to the Australian Taxation Office.

Name of Licenced Principal: The party/parties that hold the licence must be correctly named.

HIA Membership Number and Expiry Date: HIA members are entitled to a discount on their premiums. Refer to HIA for membership.

ABN No: Each business must have an Australian Business Number.

ACN No: Please provide the A.C.N Number if your Building Business is registered as a company.

Building Licence: Please provide details of the Building Licence under which you trade. If your business trades in more than one state, please provide the details for each respective state. Please quote your licence number when dealing with HIA Insurance Services.

External Accountants: If more detailed or complicated financial or legal questions need to be answered it may be appropriate for us, with your permission, to liaise with your Accountant.

Job Costing System: Please indicate whether you use a job costing system, to price your contracts and if so, is that system manual or computerised.

Frequency of Financial Reporting: To gain approval for a revised Home Warranty Insurance profile you must first undergo a complex financial assessment and as such it is important that the Insurer understand how often your business produces financial management accounts (i.e. Monthly, Quarterly, Annually).

Trade Credit References: As part of the assessment of your application, the Insurer needs to be able to confirm trading relationships. Therefore you are required to provide the details of 3 Building Material Suppliers who can confirm your credit payment history.

Details of all Directors/Principals of this business: The details of all Directors, Principals and Partners of your Building business are required, this also includes any Shareholders and details of any Trusts associated with your business.

Date commenced trading: The date your current business started trading. An important weighting factor in the financial risk assessment of your application.

General History Questions: Full disclosure is required at all times. If you answer "Yes" to any of these questions please ensure that you provide full explanatory details in the space provided - an additional page can be attached if space is insufficient.

Architect Tender Approval: These are projects that are designed and administered by an Architect or Designer on behalf of the Owner. Should you intend undertaking Architect Tendered projects, you will need to provide two (2) written references for work previously completed in a Builder or Management role for an Architect.

Builder Profile Requirements: This question allows you to indicate the changes that you require to your profile and the reason as to why you require the change. You may select several reasons for requiring a review, however please ensure that you complete all questions under each reason that you select. All limits required should be based on past performance or a realistic estimation for the forthcoming year. Although not all the turnover limits requested in this section relate to residential construction requiring Home Warranty Insurance, this information assists the Insurer in gaining an overall picture of the operations of your business.

Details of Personal Assets and Liabilities: This information is required to determine the personal net worth of a Sole Trader, the Partners comprising a Partnership or the Directors of an applying company. This information is used to support your business' application for Home Warranty Insurance. Each Principal, Partner and Director of the business must complete a Statement of Personal Assets and Liabilities. Please photocopy this page as required. Please note that where joint assets are owned by husband and wife, as the only Directors or Partners of the business, one form may be completed however it must be signed and dated by both parties. When listing properties on the Personal Assets and Liability form, please ensure that the full address of all properties are included.

Builder Declaration: Must be signed and dated. Applicants need to be aware of the legal consequences of making a false or misleading declaration.

Whilst these notes do not cover each specific question within the Builder Profile Change Application form, it is important that all questions be answered.

Please note that the Insurer cannot assess incomplete applications.



Documentation required by a Sole Trader

to accompany a Builder Profile Change Application

1. Updated Statement of Personal Assets and Liabilities from the applying Builder (refer Section 6 of Builder Profile Change Application).
2. Proof that all properties declared on the Statement of Personal Assets and Liabilities, are owned solely by the Builder. Council Rates notices, Certificates of Title, or a copy of any other document to substantiate ownership can be submitted.
3. Past 2 years final Profit & Loss Statements including Trading Statements (or Tax returns lodged with the Tax Office), in your name.
4. Copy of your current Builder's Licence.
5. Copy of your HIA membership, showing name and expiry date, if applicable.
6. Interim Accounts, of not less than three (3) months old, must be supplied.
7. Jobs Status Report (for work in progress) and a List of Jobs (for work that you will be seeking insurance on) including details on:
 - site addresses,
 - percentage of total work currently complete,
 - an estimate of the cost of remaining works for each site, and
 - expected completion date of each project.
8. Where a Builder is seeking to establish an individual Contract Limit of in excess of \$350,000, two (2) written references from an Architect, Building Surveyor or Structural Engineer are required to support the technical capability of the Builder. The reference provider must have had a professional role in a prior contract that the Builder was involved. References should include the following information:
 - Job address,
 - Contract amount (important and needs to be equivalent or approximate the amount sought),
 - Type of construction (units, luxury dwelling etc.),
 - Start and completion dates, and
 - Details as to competency in respect of the contract amount.



Documentation required by a Partnership

to accompany a Builder Profile Change Application

1. Updated Statement of Personal Assets and Liabilities from each partner of the Building Partnership. Separate Statements are required from each Partner. Where a husband and wife, are the only Partners of the Building Partnership, and all assets are jointly owned, one Statement of Personal Assets and Liabilities can be submitted, however it must be in the names of both the husband and the wife and signed and dated by both.
2. Proof that all the properties declared on the Statement of Personal Assets and Liabilities, are owned by the Partnership. Council Rates notices, Certificates of Title or any other document to substantiate ownership can be submitted.
3. Past 2 years final Profit & Loss Statements including Trading Statements (or Tax returns lodged with the Tax Office), in Applicant's name or for each Partner.
4. Partnership Balance Sheet for past 2 years balance dates.
5. Interim Accounts, of not less than three (3) months old, must be supplied.
6. Copy of current Builder's Licence.
7. Copy of HIA membership, showing name and expiry date (if applicable).
8. Jobs Status Report (for work in progress) and a List of Jobs (for work that you will be seeking insurance on) including details on:
 - Site addresses,
 - percentage of total work currently complete,
 - an estimate of the cost of remaining works for each site, and
 - expected completion date.
9. Where a Builder is seeking to establish an individual Contract Limit of in excess of \$350,000, two (2) written references from an Architect, Building Surveyor or Structural Engineer are required to support the technical capability of the Builder. The reference provider must have had a professional role in a prior contract that the Builder was involved. References should include the following information:
 - Job address,
 - Contract amount (important and needs to be equivalent or approximate the amount sought),
 - Type of construction (units, luxury dwelling etc.),
 - Start and completion dates, and
 - Details as to competency in respect of the contract amount.



Documentation required by a Company

to accompany a Builder Profile Change Application

1. Updated Statement of Personal Assets and Liabilities from each Director of Building Company. Separate Statements are required from each Director. Where a husband and wife, are the only Directors of the Building Company, and all assets are jointly owned one Statement of Personal Assets and Liabilities can be submitted, however it must be in the names of both the husband and the wife and signed and dated by both.
2. Past 2 years final Profit & Loss Statements including Trading Statements (or Tax returns lodged with the Tax Office), Balance Sheets, and Notes to the Accounts of the Company, as signed off by Directors and Accountants.
3. Past 2 years final Profit & Loss Statements including Trading Statements (or lodged Tax returns lodged with the Tax Office), for each Director if company has only incorporated within the past two (2) years.
4. Interim Accounts, of not less than three (3) months old, must be supplied.
5. Copy of current Builders Licence.
6. Copy of HIA membership, showing name and expiry date (if applicable).
7. Proof of ownership by the Company is required for all properties shown on the Company Balance Sheet provided. Council Rates notices, Certificates of Title or any other document to substantiate ownership can be submitted.
8. Where loans to the company are provided by third parties (i.e. bank loans, overdraft or commercial bills), supply copies of the financier's facility letter showing details of the security held by the financier, if not owned by the company.
9. Copy of the Certificate of Incorporation of the Company.
10. Jobs Status Report (for work in progress) and a List of Jobs (for work that you will be seeking insurance on) including details on:
 - site addresses,
 - percentage of total work currently completed,
 - an estimate of the cost of remaining works for each site, and
 - expected completion date for each site.
11. Where a Builder is seeking to establish an individual Contract Limit of in excess \$350,000, two (2) written references from an Architect, Building Surveyor or Structural Engineer are required to support the technical capability of the Builder. The reference provider must have had a professional role in a prior contract that the Builder was involved. References should include the following information:
 - Job address,
 - Contract amount (important and needs to be equivalent or approximate the amount sought),
 - Type of construction (units, luxury dwelling etc.),
 - Start and completion dates, and
 - Details as to competency in respect of the contract amount.



Documentation required by a Trust

to accompany a Builder Profile Change Application

1. Updated Statement of Personal Assets and Liabilities from Trustee, if an individual, and from each Director if the Trustee is a Company. Where a husband and wife, are the only Directors of the Trustee Company, and all assets are jointly owned one Statement of Personal Assets and Liabilities can be submitted, however it must be in the names of both the husband and the wife and signed and dated by both.
2. Past 2 years final Profit & Loss Statements including Trading Statements (or Tax returns lodged with the Tax Office), Balance Sheets, and Notes to the Accounts of the Trust, as signed off by the Trustee or the Directors, if a Trustee Company, and Accountants.
3. Past 2 years final Profit & Loss Statements including Trading Statements (or lodged Tax returns), for the Trustee or each Director if company has only incorporated within the past two (2) years.
4. Interim Accounts, of not less than three (3) months old, must be supplied.
5. Copy of current Builders Licence.
6. Copy of HIA membership, showing name and expiry date (if applicable).
7. Proof of ownership by the Trust is required for all properties shown on the Trust Balance Sheet provided. Council Rates notices, Certificates of Title or any other document to substantiate ownership can be submitted.
8. Where loans to the trust are provided by third parties (i.e. bank loans, overdraft or commercial bills), supply copies of the financier's facility letter showing details of the security held by the financier, if not owned by the trust.
9. Copy of the Certificate of Incorporation of the Trustee, if a company.
10. Copy of the Trust Deed.
11. Jobs Status Report (for work in progress) and a List of Jobs (for work that you will be seeking insurance on) including details on:
 - Site addresses,
 - percentage of total work currently complete,
 - an estimate of the cost of remaining works for each site, and
 - expected completion date.
12. Where a Builder is seeking to establish an individual Contract Limit of in excess \$350,000, two (2) written references from an Architect, Building Surveyor or Structural Engineer are required to support the technical capability of the Builder. The reference provider must have had a professional role in a prior contract that the Builder was involved. References should include the following information:
 - Job address,
 - Contract amount (important and needs to be equivalent or approximate the amount sought),
 - Type of construction (units, luxury dwelling etc.),
 - Start and completion dates, and
 - Details as to competency in respect of the contract amount.



Frequently Asked Questions

- 1. Q: When can I expect to be notified of approval of my application?**

A: Each application has to be individually assessed and presented to the Insurer. This process will not commence until all documents required have been received. Once all information and documentation required has been received, it will take approximately 20 working days for an application to be assessed for Home Warranty Insurance by the Insurer. Further information can be found in the Accountant's Guide to Warranty Insurance at www.hiainsurance.com.au
- 2. Q: How do I become a premium rating category one?**

A: The premium rating category system is based on assessed financial risk of a builder and is affected by the level of equity, net profit, turnover, gross margin, debtor and creditor days, rate of growth, experience, no adverse credit or complaint experience, and the length of period previously insured with the Insurer. The better each of these over time, the better the premium rating category.
- 3. Q: Do I need to provide a General Deed of Indemnity?**

A: A General Deed of Indemnity is no longer required from the directors of a building company to support their business. In certain instances however a job specific deed of indemnity may be sought to cover individual projects.
- 4. Q: I previously signed a General Deed of Indemnity. What happens now?**

A: In future, the Insurer will not rely on General Deeds of Indemnity from Directors when undertaking an assessment for Home Warranty Insurance. The Insurer requires that a builder maintains an appropriate level of Net Tangible Worth to support the Maximum Moving Year Turnover limit sought.
- 5. Q: When can I get my deed released?**

A: A General Deed of Indemnity will be released by the Insurer on request in writing from the directors. The building applicant must meet the insurer's financial criteria in it's own right.
- 6. Q: When can I get my Bank Guarantee released?**

A: Bank Guarantee's are requested by the Insurer for various reasons (i.e.: to support turnover, to support a specific project) and as such the requirements for the release of a Bank Guarantee, by the Insurer, may also vary. Bank Guarantee's will be released by the Insurer, at the expiry of the guaranteed period (for example once the warranty period has expired on the last house insured, by you, through the Insurer). Applications for release of Bank Guarantee's may be submitted to the insurer for review on a case by case basis.
- 7. Q: Why can't I apply for Home Warranty Insurance in my own name because I only use a company for taxation purposes?**

A: In accordance with Australian Taxation Laws the financial trading entity that the builder is conducting their operations through, should be the entity which is signing the Building Contract. The financial trading entity should be licensed in accordance with the various state legislation.
- 8. Q: What is an annual limit?**

A: An annual limit refers to the Maximum Moving Year Turnover. Please refer to the Maximum Moving Year Turnover section in this Application Assistance Kit for further information.
- 9. Q: What is Inactive status?**

A: A Builder that has not insured a project with HIA Insurance Services during a 12-month period.
- 10. Q: How do I achieve lower premiums?**

A: Builders can reduce their premiums by achieving a lower Premium Rating Category. A Premium Rating is a product of net worth, financial performance, stability, experience and turnover. As these variable improve with the Builder's improved performance the Premium Rating Category will decrease. Therefore the lower the Premium Rating Category, the lower the premium.
- 11. Q: What are the financial requirements for the turnover I am seeking?**

A: Positive profit performance and a net worth deemed capable of supporting the level of turnover sought. This is normally a net tangible worth (NTW) equal to or greater than 10% of the annual turnover limit sought by a Builder.
- 12. Q: What if the assets and profits of my Building business are minimal?**

A: During the course of the review of your Home Warranty Insurance application, the Insurer may deem that the entity through which you conduct your building operations is undercapitalised. In order to meet an acceptable assessment level, the Insurer may request that you inject capital into your business or provide a Bank Guarantee to improve and support your application.
- 13. Q: How can I get my building licence if I don't have Home Warranty Insurance?**

A: Once you are approved for Home Warranty Insurance you will be provided with a certificate that you can use to obtain your licence.



The Home Warranty Insurance Process

Q: What is the assessment process for a Home Warranty Insurance application? When can I expect to be notified of the result?

Applications for Home Warranty Insurance may be submitted to HIA Insurance Services either across the counter or by mail at the various state offices.

HIA Insurance Services will undertake quality assurance and pre-assessment, on all applications for Home Warranty Insurance.

All applications are then forwarded to the Insurer who undertakes a financial assessment on each application to determine acceptability.

The Insurer requires supporting documentation to accompany an application for Home Warranty Insurance. Without all requested, supporting documentation, the assessment process cannot be undertaken.

Once all supporting documentation and the completed application form have been received and assessed by the Insurer, you will then be advised as to whether your application has been approved.

Q: How do I apply?

An Application Assistance Kit can be obtained from the HIA Insurance Services office in your capital city, or alternatively the Application Assistance Kit can be downloaded, in conjunction with the application form, from our website at www.hiainsurance.com.au. The Application Assistance Kit consists of the following:

- The appropriate application form (Builder Profile Change),
- An explanation of the Home Warranty Insurance Assessment process,
- Frequently Asked Questions,
- Notes to assist in the completion the appropriate application form,
- A list of documentation required to accompany the particular application form, depending on the legal entity through which building operations are being conducted (i.e. Sole Trader, Partnership, Company, or Trust).

Q: What happens next?

Once your application has been submitted to HIA Insurance Services, it then undergoes a quality assurance process to ensure that all requested documentation is attached to support your application. Should the application be deemed complete it is then forwarded to a HIA Insurance Services Eligibility Assessment Officer who will undertake a financial assessment on your application to determine whether the information that you have supplied supports the “profile” that you are requesting. Should it be determined that your requested profile is not supported by the financials and supporting documentation that you have supplied, the Eligibility Assessment Officer, may request additional information or make a recommendation which will assist in ensuring that the profile you have requested will be approved by the Insurer.

Once HIA Insurance Services is reasonably confident that an application will be approved, it is submitted to the Insurer for final assessment.

Q: How long before the assessment is completed?

Once a complete application has been received, including all requested supporting documentation, 20 working days are required for the assessment process to be completed by the Insurer.

It is important to note, that incomplete applications cannot be assessed until all requested documentation has been received. The time frame provided for the assessment process is an indication only and can be adversely affected by an increase in the average number of applications, the available resources of the Insurer and the quality of the information provided on the Home Warranty Insurance application.

Throughout the assessment process, we will endeavour, wherever possible, to update you on the progression of your Home Warranty Insurance application. The following correspondence will be forwarded to you:

- A tax receipt will be sent by HIA Insurance Services, to confirm receipt of your application fee. This also confirms receipt of your Home Warranty Insurance application form.
- Written correspondence will be forwarded to you if further information is required to support your application. The assessment of your application cannot be undertaken unless all requested documentation has been received by HIA Insurance Services. Incomplete applications can cause delays in the assessment of your application.

Unfortunately unforeseen delays can occur in the assessment process. It is recommended that applications for Home Warranty Insurance are submitted to HIA Insurance Services as much in advance as possible to allow the maximum amount of time possible for the assessment to be undertaken.

Q: What can I do to speed up the assessment process?

Through client meetings, our experienced and dedicated staff are able to assist you in the lodgement of your Home Warranty Insurance application. Obtain an application kit, complete the application form and then arrange to speak to one of our Customer Service staff who will assist you in ensuring that a complete application is submitted. This ensures that your assessment is not unnecessarily delayed due to incomplete information.

If a Builder chooses to submit an application via mail it is possible that not all information may have been provided and could delay the assessment process.

Q: How will I be advised when the assessment has been completed?

On completion of your assessment you will be advised in writing as to whether your application has been approved by the Insurer.



Financial Requirements for Home Warranty Insurance

The Insurer is no longer relying on Deeds from Directors to provide comfort in respect of Home Warranty Insurance.

All Builders who submit an application for Home Warranty Insurance are required to have a Net Tangible Worth (NTW) deemed capable of supporting their requested annual level of turnover. As a guide, this is expected to be equal to or greater than 10% of the Maximum Moving Year Turnover (annual turnover limit) sought by the Builder.

Sole traders and Partnerships rely on personally held assets to substantiate their Net Tangible Worth.

The Net Tangible Worth of a Company is determined, by the Insurer, as it's paid up capital less intangible assets, less loans to (and investments in) related parties. Loans made by associated entities to a Company, are in some circumstances, included when deriving the Net Tangible Worth calculation. Where the Insurer requires an increase in Net Tangible Worth, a Capital Injection, in the form of paid up shares, or Bank Guarantee may be requested. A Trust does not generally allow for a Capital Injection by means of increasing paid up capital. A Unit Trust's Net Tangible Worth may be increased by issuing additional units. A Builder operating through a Trust may be required to supply a Bank Guarantee to support the annual level of turnover sought.

Bank Guarantees

The Insurer may, in certain circumstances, require a Bank Guarantee to be executed by a Builder to support the application for Home Warranty Insurance.

All executed Bank Guarantees will be held by the Insurer until the legislative warranty period has expired (i.e. the expiry of the warranty period of the last job insured or, if Job Specific, for the term of warranty of that specific job.). Warranty periods vary across the country, please refer to the section titled "Insurance Coverage" in the Builder's Information Kit, to determine the warranty period applicable to your state.

The Insurer will exercise its right to seek payment of monies under a Bank Guarantee if a claim is paid as a consequence of a Builder's death, insolvency or disappearance. A claim can only be made, by an Owner for non-structural defects, up to two years from the date of completion of building works and, for structural defects, at the end of the warranty period following the date of completion of the building works.

Generally, a Bank Guarantee will be held for the term of the Statutory Warranty period. A Bank Guarantee may be released by the Insurer 12 months after the completion of a project, provided that the Insurer can determine that the project was completed by the Builder in a manner which was satisfactory in accordance with their underwriting criteria.

Bank Guarantee's that are required to support your application for Home Warranty Insurance must comply with the following:

1. They must be in favour of Vero Insurance Limited ABN 48 005 297 807.
2. They must be unconditional.
3. They must have no time limit restrictions.
4. The original Bank Guarantee must be provided to the Insurer.
5. The Bank Guarantee must be in the name of the entity seeking Home Warranty Insurance.

Capital Injection

The Insurer, in their assessment of companies, rely heavily on the Net Tangible Worth of the Building company.

If insufficient Net Tangible Worth exists internally within a Building company, the Insurer may request an injection of additional paid-up capital to support the level of Maximum Moving Year Turnover requested.

An injection of capital needs to take the form of ordinary shares and the subscription monies are to be physically paid in full into the Company. The result will be an increase in Net Tangible Worth and, as a consequence, working capital within the Company will be available for use in its day to day building operations.

The evidence required to be supplied to substantiate the Capital Injection is:

- (a) Minutes of the meeting approving the issue of shares,
- (b) Copy of share certificate, and
- (c) Copy of Form 484 lodged with ASIC.

Further information on the Insurer's assessment criteria can be found in our Builders Information Kit. The Builder's Information Kit can be located on our website at www.hiainsurance.com.au.



Maximum Moving Year Turnover

Maximum Moving Year Turnover stands for the “Approved Moving Annual Turnover”. This is a maximum limit applied, by the Insurer, to a Builder’s turnover during a rolling 12 month period.

Maximum Moving Year Turnover works on a 12 month rolling average beginning at any point in time. The value of Maximum Moving Year Turnover includes all contracts entered into within a 12 month period based on the date the certificate for Home Warranty Insurance was issued to you, the Builder.

Example: How Maximum Moving Year Turnover is calculated

- *If on the 30 April 2004 you, the Builder, have an approved Maximum Moving Year Turnover of \$2million and you are given the go ahead by the Owners to build their house for \$250,000 on the same day; and*
- *You proceed to apply for Home Warranty Insurance for that project on the same day; and*
- *On the 30 April 2004 the Home Warranty Insurance certificate, for that project, is issued and as a result the building contract is entered into; then*
- *On 30 April 2005, whether you have completed the project or not, the value of the contract entered into on 30 April 2004, being \$250,000, will “fall off” your Maximum Moving Year Turnover.*

Maximum Moving Year Turnover is monitored by the Insurer through the processing of project applications. Each project application you submit uses up some of your Maximum Moving Year Turnover limit. The amount of Maximum Moving Year Turnover used is equivalent to the contract value relating to a particular project. The amount applied against the Maximum Moving Year Turnover limit is applied on the date the Home Warranty Insurance certificate for the particular job is issued.