Home Warranty Insurance Fund

FACT SHEET 2 – 18 June 2010

Broker Update – Keeping Builders Informed About Transition Arrangements

This fact sheet provides important information for Brokers regarding the communications builders will receive about the establishment of the NSW Self Insurance Corporation as the sole provider of home warranty insurance from 1 July 2010. NSW Self Insurance Corporation will trade as NSW Home Warranty Insurance Fund

NSW Self Insurance Corporation's Plan for Keeping Builders Informed

The new Home Warranty Insurance arrangements for NSW will commence on 1 July 2010 when the NSW Self Insurance Corporation takes over as the sole provider of home warranty insurance within NSW.

We understand these changes may cause some builders and brokers to be concerned but we are committed to minimising disruption and enabling builders to get on with the job of building. In consultation with the industry we have developed a broad communications plan that aims to ensure all information about the new arrangements and potential impacts is communicated in a timely and consistent manner and the transition process goes as smoothly as possible for everyone involved.

Outlined below are the ways in which we will be communicating with builders about the changes and the transition:

1. Introductory Letter to Builders from NSW Home Warranty Insurance Fund

Attached is a copy of a letter that will be sent to all builders with current eligibilities during the week commencing 21 June 2010. This letter announces the appointment of the successful insurance agents and should reassure builders that it will be business as usual during the transition period.

The decision to communicate directly with builders in this way was driven by the need to provide builders with important information prior to June 30 and ensure all builders were aware of the changes at the same time.

We respect the strong relationship between brokers and builders and it is intended that the distribution of this letter is the only direct communication the NSW Home Warranty Insurance Fund will have with builders about the new arrangements. All future communication will be channelled via brokers and their direct contacts with builders.

2. Broad Communication Strategy

In addition to the introductory letter, brokers should also be aware of the other indirect avenues that will be used to communicate with builders. This includes industry association publications and email alerts and regular website updates.

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Broker Fact Sheet About Transition Arrangements

The NSW Home Warranty Insurance Fund has developed a fact sheet to help brokers assist builders to understand the impacts on eligibilities, security and premiums and any action to be taken during the transition period. (Please see Fact Sheet 1 attached).

Next Steps

The introductory letter encourages builders to seek more information from their broker and we expect brokers will use this as an opportunity to make contact with all builder clients to ensure they understand the changes and to answer any questions or provide additional information.

Insurance agents will re-issue eligibility certificates to builders in the name of the NSW Home Warranty Insurance Fund near 1 July 2010. These certificates will be distributed by brokers and will provide an early opportunity for brokers to communicate directly with builders about the arrangements.

Further Information

Further information regarding the new arrangements can be obtained from:

NSW Home Warranty Insurance Fund	www.homewarranty.nsw.gov.au

This website is a valuable source of information for brokers and builders and will be updated regularly.

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