Home Warranty Insurance Fund

FACT SHEET 4 – 15 July 2010

Information about the Managed Builder Program for Builders and Brokers

This fact sheet provides important information for Builders and Brokers regarding the Managed Builder Program effective 1 July 2010.

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. NSW Self Insurance Corporation will trade as NSW Home Warranty Insurance Fund.

What is the Managed Builder Program (MBP)?

The MBP aims to assist new entrants to the building industry, as well as existing small to medium builders. Builders who satisfy minimum Eligibility requirements and who do not have the required level of equity in their business, or, are unable to or elect not to provide security can participate in MBP as a condition of obtaining Eligibility for contracts of $50,000 and over.

Builders in these situations can choose an external MBP service provider that suits their needs from a panel of authorised service providers.

What services does the MBP service provider provide?

The role of the MBP service provider is to:

- review contractual arrangements for a project (including scheduled payments)
- review the project quotation to ensure that it is reasonable for a project of its size and type
- determine the number of inspections required under the MBP for the project (in accordance with the Home Warranty Insurance Fund's MBP guidelines), and
- undertake the inspections during the project construction.

These responsibilities are outlined in detail in the MBP Builder Agreement available on www.homewarranty.nsw.gov.au. All MBP providers must use this agreement. The same MBP service provider must provide all four components for each project; however you can choose a different MBP service provider for each project.

MBP service providers may seek to provide additional services to Builders outside the scope of the MBP Builder Agreement. You are not obliged to accept these additional services as a condition of your participation in the MBP. If you wish to engage the MBP service provider for any of these additional services this should be arranged and agreed separately to your participation in the MBP.

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Who is on the Panel of Authorised MBP Service Providers?

The following organisations have been selected as MBP service providers. If you elect to participate in the MBP, you must choose one of these service providers on a project by project basis:

- Australian Building Services Home Owner Warranty Insurance Pty Ltd
  Ph (02) 8713 1800
  www.homeownerswarranty.com.au

- Building Ethics Australia Pty Ltd
  Ph (03) 9397 4166
  www.buildingethics.com.au

- HWIS Pty Ltd
  Ph (02) 9525 4666
  www.hwis.com.au

- Cunningham Lindsey Australia Pty Ltd t/a Sergon Building Consultants
  Ph 1300 735 720
  www.sergon.com.au

Their contact details can be found on the Home Warranty Insurance Fund website: www.homewarranty.nsw.gov.au under the Builders Section.

The Managed Builder Program and Eligibility Conditions

The MBP is not compulsory for all Builders. If you elect to participate in the MBP as part of your Eligibility, participation in the MBP will be a condition of your Eligibility. If you elect to participate in the MBP, you must engage a MBP service provider for each individual project with a contract price of $50,000 or more (GST inclusive) prior to obtaining a Certificate of Insurance for that project. You do not, however, have to engage a MBP Service Provider until you require a Certificate of Insurance for a project.

If, as a condition of your current Eligibility you are enrolled in a similar program at the moment, you can continue to use that provider for current projects for which Certificates of Insurance have already been issued. You will be required to use one of the new MBP Service Providers for any new Certificates of Insurance required after 1 July, 2010.

How much will the MBP Builder Services cost?

The costs will vary from project to project and provider to provider. Each MBP service provider can give you a quote for your specific project.

Each MBP service provider will be able to give you a better guide as to the likely costs for your project.

Engaging an MBP Service Provider

It is recommended that at least for the first MBP service provider engagement you obtain quotations from various providers. The quotation will detail the MBP service providers' hourly rates and the number of hours spent on each component. You should choose the quote that represents best value for money for you.

A standard MBP Request for Quote form is available from any MBP service provider and a sample of the form is on www.homewarranty.nsw.gov.au

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Once completed, the Request for Quote form should be sent to those MBP service providers you wish to provide a quote. MBP Service Providers are required to provide a quotation in the form of a MBP Builder Agreement within 2 days of receipt of the completed MBP Application Form. If you wish to accept the quotation, you sign the agreement and return it to the MBP service provider.

Further Information

Further information regarding the Managed Builder Program can be obtained from:

NSW Home Warranty Insurance Fund	www.homewarranty.nsw.gov.au
Home Warranty Insurance Enquiries	133 679 (NSW)

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