Residential Builders' Warranty

INSURANCE PROPOSAL

Eligibility Application

PROPOSAL

QBE BUILDERS Warranty

Eligibility Application

Insurance Coverage

Residential Builders Warranty Insurance protects the person on whose behalf work is to be done and the subsequent homeowners for loss or damage resulting from non-completion of the work or breach of statutory warranty because of death, disappearance or insolvency of the builder.

Letter of Eligibility (LOE)

Builders require a LOE from an approved Home Warranty Insurer in order to qualify for and/or renew their Building Licence in most 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 a LOE to enable them to comply with the respective State Regulations and/or Ministerial Order pertaining 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 can not be used as a Certificate of insurance. The LOE can be cancelled at any time at the discretion of QBE.

Issuance of Certificates

Licenced Builders that have been issued with a 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). Retro-active cover will not be provided for jobs already commenced prior to granting Eligibility without consent in writing from QBE.

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 can not 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.

Privacy Statement

We are committed to safeguarding your privacy and 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 and use it in a way you would reasonably 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.

We, or our authorised agent may disclose your personal information to:

- an investigator, assessor or State or Federal authority (for the purpose of investigating or assessing your application or investigating a claim).
- a lawyer or recovery agent (for the purpose of defending an action or recovering our costs).
- another insurer (for the purpose of seeking recovery or to assist them to assess insurance risk) or a reinsurer who may be located overseas.
- any insurance reference or credit bureau (for the purpose of recording any claims made upon us under this policy).

Personal information may also be obtained about you from the above people or organisations.

In addition, we will:

- give you the opportunity to correct your personal information, or obtain access to it (some restrictions and a fee may apply).
- provide our dispute resolution procedures to you in respect of any complaint you may have regarding your personal information.

Further information can be obtained by contacting our Compliance Manager by telephone (02) 9375 4656 or by fax (02) 9221 1330 or email to compliance.manager@qbe.com.

Duty of Disclosure

Before you enter into a contract of general insurance with an insurer, you have a duty, under the Insurance Contracts Act, to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of insurance and, if so, on what terms.

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of any matter:

- that diminishes the risk to be undertaken by the insurer.
- that is of common knowledge.
- that your insurer knows or, in the ordinary course of its business, ought to know.
- as to which compliance with your duty is waived by the insurer.

QBE BUILDERS Warranty

Residential Builders' Warranty

Eligibility Application

Please answer all questions, if you require additional space please use a separate sheet and attach.

Section 1. Business Information

Name of business - The Applicant
('The Applicant' is the Building Entity that will be applying for LOE, entering contracts with homeowners and providing the Statutory Financial Accounts)

Type of business: Sole Trader ☐ Partnership ☐ Company ☐ Trust ☐

Trading name(s)

Previous trading name(s)

ABN | ACN | Business commencement date / /

Business address

Contact person | Business telephone number

Mobile telephone number | Facsimile number

Email address | Website address

Trade Association membership number *(please attach copy)*

MBA ☐ HIA ☐ Other *(please specify)* ☐

Name as shown on Building Licence/Contractors Licence/Designated Practioner's Registration *(please attach copy of relevant licence)*

Licence number | Date licence first issued / / | Expiry date / /

	State/Territories of operation	State in which eligibility is being sought
NSW	☐	☐
VIC	☐	☐
WA	☐	☐
SA	☐	☐
TAS	☐	☐
ACT	☐	☐
NT	☐	☐

Section 2. Personal Information/Qualifications/Experience - *(directors/partners/business proprietors)*

If the application is for more than two directors/partners/business proprietors/building practitioners or nominated supervisors then please photocopy this page and attach to the application.

Name

Home address

Telephone number

Date of birth / /

Builders licence number *(please attach copy)*

Original Issue Date / /

Qualifications: Apprenticeship ☐ TAFE Course ☐ Tertiary Course ☐

Please provide details of course/qualification and date completed

Your building experience over the past 5 years other than as a director/partner/business proprietor *(if applicable)*

Name of business

Position held

From / / to / /

Name of business

Position held

From / / to / /

Trading name (s) of any prior business(es) if applicable

Personal Information/Qualifications/Experience - *(directors/partners/business proprietors/building practitioners or nominated supervisors)*

Name

Home address

Telephone number

Date of birth / /

Builders licence number *(please attach copy)*

Original Issue Date / /

Qualifications: Apprenticeship ☐ TAFE Course ☐ Tertiary Course ☐

Please provide details of course/qualification and date completed

Section 2. Personal Information/Qualifications/Experience *(continued)*

Your building experience over the past 5 years other than as a director/partner/business proprietor *(if applicable)*

Name of business

Position held

From / / to / /

Name of business

Position held

From / / to / /

Trading name(s) of any prior business(es) if applicable

Section 3. Business and Personal Background Information

Note - "You" is defined as the Applicant in your personal capacity
(as a director/partner/business proprietor/building practitioner or nominated supervisor).

Where there are more than two 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 Home Warranty insurer? Yes ☐ No ☐
5. Do you currently have Warranty Eligibility with another provider? *(If so, please attach a copy of Letter of Eligibility)* Yes ☐ No ☐
6. Have you or any business for which you were involved ever been declined Home Warranty Insurance? Yes ☐ No ☐
7. Has your previous Home Warranty Insurer 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 4. References & Awards

General Technical References

If you intend applying for Building Contracts tendered to Architects or Multi Unit *(3 or more dwellings on one site)* **please** complete the section below and provide an additional two written references from Building Surveyors, Architects or Engineers detailing specific projects within the last three years. The references must be prepared on the reporting entity's letterhead and include the same details as below:

Job address

Project type *(eg. Multi Unit Developments)*

Total contract value

$

Total construction period

Completion date

/ /

Applicant's role in the project

Commentary on overall performance

Reporting entity name

Telephone number

Trade Credit References

Please provide the names of your two largest building material suppliers who can confirm your credit payment history over the last twelve month trading period.

1. Company/Supplier name

Telephone number

Facsimile number

Account Limit

$

Payment Terms *(days)*

2. Company/Supplier name

Telephone number

Facsimile number

Account Limit

$

Payment Terms *(days)*

Building Excellence Awards

Please list any Building or Industry awards that the business has received

Section 5. Financial Information

What job costing estimating system do you utilise? Manual ☐ Customised ☐ Standard Industry ☐

What computer based accounting package do you utilise?

How often do you produce financial management reports?

Please advise details of your external accountant:

Business name

Accountant name

Telephone number

Fax number

Average Building Cycle

Number of weeks from signing of contract to commencement of construction on site

Number of weeks from commencement of construction to satisfactory completion/handover to the homeowner

Three largest projects in the last 3 years:

Job Description	Contract value	Your role on site	Year completed
	$		
	$		
	$		

Please attach the following requested information to assist in the assessment of your application:

Companies/Trusts

- Copy of full and final Financial Statements *(Profit and Loss Statement with Trading Statement, Balance Sheet and Notes to Accounts)* for the last (2) two financial years as prepared by your external accountant and signed by the directors as being true and correct.
- If the current year end Financial Statements are older than (9) nine months, copy of Interim Financial Statements are required *(internally prepared accounts are acceptable providing they are signed by the directors or external accountant as being true and correct and are prepared utilising a recognised accounting package).*
- Current Working Capital Position Statement is to be completed for all applications for insurance in excess of $5,000,000. *(refer to Section 5A).*
- The requirement of Cash Flow forecasts will be at the discretion of the underwriters.
- Signed copy of Trust Deeds to be provided for any "Trust" Applications.

Group Structures

- If the Applicant is a subsidiary of another entity or part of a larger group structure then Financial Statements *(Profit and Loss Statement with Trading Statement, Balance Sheet and Notes to Accounts)* for the last (2) two financial years, as prepared by your external accountant, is required for each and every entity within the group. For structures with 'related entity' loans, an explanation of the purpose, term and size of these facilities is required from your external accountant.

Sole Traders/Partnerships

- Profit and Loss Statement including Trading Account for the last (2) two financial years *(a copy of the full tax return as submitted to the Australian Taxation Office will suffice).*

Section 5. Financial Information *(continued)*

5(a). Current Working Capital Position

To be completed by companies seeking Residential Builders' Warranty Insurance in excess of $5,000,000.
Note: Information and Balances must not be more than 90 days old.

Name of applicant

Current no. of jobs

Total value $

Current Assets			Balances as at / /
Cash at bank			$
Trade Debtors*	Agreed terms	days	$
Work-in-Progress *(value of work completed but not invoiced)*			$
Other* *(please provide details)*			$
(A) Total Current Assets			$

Current Liabilities			
Overdraft	Include current limit	$	$
Trade Creditors:			
Suppliers*	Agreed terms	days	$
Sub-Trades*	Agreed terms	days	$
Short Term Loans			$
Directors Loans			$
Bank Bills			$
Taxation			$
GST			$
Other *(please provide details)*			$
(L) Total Current Liabilities			$
Net Working Capital Position (NWC = NCA minus NCL)			$

*Do not include intercompany/related party loans

I/we confirm the above information is true and correct

Signature *(director/partner/business proprietor)*

Date / /

Name

Position/Title

Section 6. Building Turnover by Category

What is the maximum insurable turnover limit being requested for the next 12 months? $

Type of building work	***Contracts commenced in previous 12 months***		***Estimated contracts to be commenced in the next 12 months***		***Maximum jobs in progress at any one time in the next 12 months***	
Residential Building Work - Category	No. of jobs	Actual value of all contracts	No. of jobs	Total estimated value of all contracts	No. of jobs	Estimated maximum individual contract value
Single Dwelling - Contract		$		$		$
Single Dwelling - Speculative		$		$		$
Single Dwelling - Display		$		$		$
Alterations & Additions - Carports/ Garages		$		$		$
Alterations & Additions - Structural Extensions		$		$		$
Renovations & Improvements - Kitchens		$		$		$
Renovations & Improvements - Bathrooms		$		$		$
Supply of Kit Homes		$		$		$
Swimming Pools		$		$		$
Project Management		$		$		$
Other		$		$		$
Multi-Unit Development - Low rise *(up to 3 stories, including basement):*						
Contract *(for Developer)*		$		$		$
Speculative		$		$		$
Unit Development - High rise *(4 stories or greater, including basement)*		$		$		$
Industrial/Commercial Work:						
Contract		$		$		$
Project Management		$		$		$
Speculative		$		$		$
All other work *(Please specify):*						
		$		$		$
		$		$		$
		$		$		$
TOTAL ESTIMATED NUMBER/VALUE		**$**		**$**		**$**

Section 7. Statement of Personal Assets and Liabilities

This statement needs to be completed by each director, partner and proprietor of the business *(please photocopy and attach this page to the application for each and every of the above)*. Evidence of property ownership is required for all properties listed below, eg Council Rates Notice, Loan Statements.

Business name

Name of sole trader/partner/director

Assets	Value	Liabilities	Value
Principal residence at		Mortgage loan with	
	$		$
Other property at		Mortgage loan with	
	$		$
	$		$
Other properties or vacant land at		Overdraft with	
	$		
	$	Limit	$
Motor vehicle's		Vehicle finance with	
	$		$
	$		$
	$		$
Other investments *(e.g shares)*		Other loans	
	$		$
	$		$
	$		$
Cash at bank with		Trade creditors	
	$	*(sole traders only)*	$
Plant & machinery and tools of trade	$	Credit card and other personal debts	$
Work in progress *(sole traders only)*	$		
Trade receivables *(sole traders only)*	$		
Loans and any monies owed to you	$		
(Name of lender & repayment terms)		*(Name of lender & repayment terms)*	
Total Assets	$	***Total Liabilities***	$
		Contingent Liabilities	$

I declare that the above Statement of Personal Assets and Liabilities is true and correct.

Signature of person to whom this statement relates

Date

/ /

Section 8. QBE Builders Warranty' Insurance Work in Progress Status Report

(Needs to be completed for all projects under construction or where deposits have been taken)

Name of Builder

Builders Registration No

Date contract entered into *(dd/mm/yyyy)*	**Site address** *(if multiple dwellings are being constructed on the one site, please list the site address once and show number of units)*	**Contract Value (including GST)**	**Date work commenced on site** *(dd/mm/yyyy)*	**Insured by**	**Current stage of completion** *(Deposit, Base, Frame, Lock-up, Fit-out & %)*	**Estimated cost to complete**	**Estimated completion date** *(dd/mm/yyyy)*
/ /		$	/ /			$	/ /
/ /		$	/ /			$	/ /
/ /		$	/ /			$	/ /
/ /		$	/ /			$	/ /
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/ /		$	/ /			$	/ /
/ /		$	/ /			$	/ /

Section 9. Documentation Checklist

Please ensure that the following Documentation is provided to your broker/intermediary with this application.

- [ ] Copy of the Certificate of Business Registration for "The Applicant" - Section 1.
- [ ] Copy of Trade Association Membership - Section 1.
- [ ] Copy of the current licences/registration for each of the directors/partners/ business proprietors/building practitioners or nominated supervisors - Section 2.
- [ ] Current Warranty Eligibility from existing insurer - Section 3.
- [ ] General Technical References for Architect Design and Multi Unit Projects - Section 4.
- [ ] Copy of Full and Final Financial Statements - Section 5.
- [ ] Interim Financials *(if required)* - Section 5.
- [ ] Copy of Group structure, related entity Financial Statements and an explanation of related entity loans - Section 5.
- [ ] Signed copy of Trust Deeds to be provided for "Trusts" - Section 5.
- [ ] Working Capital Position Statement has been completed, signed and dated for applications in excess of five million dollars ($5,000,000) - Section 5(a).
- [ ] Statement of Personal Assets and Liabilities has been completed, signed and dated from each Director/Partner/Proprietor - Section 7.
- [ ] Evidence of ownership for all properties listed in the Statement of Personal Assets and Liabilities - Section 7.
- [ ] Work in Progress Report has been completed - Section 8.
- [ ] Application Form is fully completed, signed and dated - Section 10.

Section 10. Applicants 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 outlined 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 alters or materially 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 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 the Tribunal or Australian Courts 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.

Declared by *(Name)*

For and On Behalf of

Position/Title

Signature

Date / /

Declared by *(Name)*

For and On Behalf of

Position/Title

Signature

Date / /

Declared by *(Name)*

For and On Behalf of

Position/Title

Signature

Date / /

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