



Insurable

RESIDENTIAL CONSTRUCTION

Work

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All contractors carrying out residential construction work directly with consumers, to a value exceeding \$3,300, must pay a premium to the Building Services Authority (BSA) under the Queensland Home Warranty Scheme. The \$3,300 value **must** include GST, and the value of **all** building materials, as if the materials were supplied by the contractor, even if this is not the case.

Payment is not restricted to builders. Any contractor who carries out insurable work directly for a consumer must pay a premium. The only exceptions are licensees working as subcontractors for a principal contractor, or working for a person who holds an Owner Builder Permit for the relevant construction.

It is a requirement under the *Queensland Building Services Authority Act 1991*, that a contractor pay the appropriate premium to the BSA, as soon as practicable after entering a contract with a consumer to carry out residential construction work in Queensland. Contractors can be fined up to 100 penalty units if the insurance premium is not paid in accordance with the legislation.

If you have one of the following licences, and you are performing work for an owner on a house, or on a multiple unit of 3 storeys or less (excluding the lowest storey if it consists mainly of a car park), and the value exceeds \$3,300, you will most likely need to pay an insurance premium under the Queensland Home Warranty Scheme.

- | | |
|---|---|
| <input type="checkbox"/> Builder Low Rise
<input type="checkbox"/> Builder Medium Rise
<input type="checkbox"/> Builder Open
<input type="checkbox"/> Builder Restricted to Kitchens Bathrooms & Laundry Installations
<input type="checkbox"/> Builder Restricted to Structural Landscaping
<input type="checkbox"/> Bricklaying and Blocklaying
<input type="checkbox"/> Carpentry
<input type="checkbox"/> Concreting
<input type="checkbox"/> Glass, Glazing & Aluminium
<input type="checkbox"/> Plastering Drywall
<input type="checkbox"/> Plumbing & Drainage | <input type="checkbox"/> Roof Tiling
<input type="checkbox"/> Structural Landscaping (Trade)
<input type="checkbox"/> Cabinet Making
<input type="checkbox"/> Foundation Work – Piling/Anchors
<input type="checkbox"/> Joinery
<input type="checkbox"/> Structural Metal Fabrication & Erection
<input type="checkbox"/> Metal Fascia & Gutter
<input type="checkbox"/> Roof & Wall Cladding
<input type="checkbox"/> Sheds, Carports & Garages
<input type="checkbox"/> Waterproofing
<input type="checkbox"/> Steelfixing
<input type="checkbox"/> Stonemasonry |
|---|---|

STEP 1 - explains the work on which insurance is payable. STEP 2 - outlines work that is never insurable.

STEP 1: <i>If you answer 'yes' to any of the following questions, you must pay a premium.</i>		
A	Is the work the construction of a new house, townhouse, Related Roofed Building (RRB) (e.g. shed or carport), or a multiple dwelling unit of 3 storeys or less, (excluding the lowest storey if it consists mainly of a car park).	YES ⇨ pay insurance NO ⇨ no insurance
OR		
B	Is the work an addition, alteration, renovation or repair to a house, town house, RRB, or multiple dwelling unit of 3 storeys or less, (excluding the lowest storey if it consists mainly of a car park), where the value of the work exceeds \$3,300?	YES ⇨ go to C NO ⇨ no insurance
AND		
C	Is the work primary building work - i.e. one of the following? <input type="checkbox"/> work which affects structural performance of the residence/RRB (e.g. underpinning of a house) <input type="checkbox"/> replacing of roof, wall, internal partition, floor, foundation <input type="checkbox"/> replacement or refitting of a kitchen or bathroom in the residence/RRB. <input type="checkbox"/> work on an unenclosed elevated platform, deck or verandah attached to a residence <input type="checkbox"/> work which increases the covered floor area of residence/RRB (e.g. raise house and build-in underneath). <input type="checkbox"/> installation or repair of primary water supply, sewerage or drainage to the residence/RRB.	YES ⇨ pay insurance



STEP 2: If the work you are doing is in this table, you DO NOT need Home Warranty Insurance.

The following work is excluded from insurance:

- off-site prefabrication in a factory of the whole of a building (any **installation** that is residential construction work **IS** insurable)
- caravan
- demountables
- work for, on, or on the site of, multiple dwellings **over** 3 storeys (excluding the lowest storey if it consists mainly of a car park.)
- a caravan park, hotel, holiday accommodation
- a prison, hospital, school, retirement village*
- work performed by an owner builder
- loading, unloading or transporting a residence or RRB

NONE of this work is insurable.

The information contained in this table is a guide to work that **IS NOT** insurable. The list is not exhaustive. If you are unsure, please contact us.

*If it falls under the Retirement Villages Act 1999

THE PREMIUM AND CERTIFICATE OF INSURANCE

The premium is based on the contract value (including GST). One premium is payable on each individual residence.

A licensed construction manager entering into a construction management contract with a principal must pay the appropriate insurance premium (the amount paid to the construction manager by the principal under the contract must be added to the value of the residential construction work when calculating the premium).

Premium tables are available from our website, www.bsa.qld.gov.au, or directly from your nearest BSA office.

Upon payment of the premium, you will receive written notification from us showing the appropriate insurance premium has been paid. This should be given to the Building Certifier to obtain Building Approval.

We issue a Certificate of Insurance to a property owner, when you notify us that a contract to construct residential

construction work has been signed. The certificate contains details relevant to the contract and is conclusive evidence that the contracted works are covered by the Queensland Home Warranty Scheme.

We **must** be notified of any changes to a contract.

Make sure we are notified of any changes to contract value following a variation made by you or the owner.

When advised of the changes, we will amend the owner's Certificate of Insurance and send an updated Confirmation Letter.

The corrected balance will appear on the monthly statement we send you that shows details of all insurance transactions you have made. This statement can be used to prepare your BAS return. If you have queries on your statement, phone us.

HOW DO I PAY QUEENSLAND HOME WARRANTY SCHEME PREMIUMS?

In Person:

You can pay at any BSA office. Identification will be required before payment can be accepted.

PhonePay:

The easiest way to pay premiums is by using your phone. No paperwork is required! PhonePay operates from 7am to 5pm Monday to Friday.

To access PhonePay you will need:

- your BSA licence number
- a PIN (like the one you get from your bank)

If you don't already have a PIN or have lost or forgotten yours, please call our Customer Contact Centre and we will issue you a new one. Once you have your BSA licence and your PIN you can use PhonePay to take out insurance in minutes.

Information required for Insurance Cover:

- the real property description of the site i.e. lot, plan type and number
- full site address
- whether it is new construction or an alteration and/or addition to an existing building
- description of the works
- owner's name, phone number and address
- the full value of the works
- the date of the contract

The premium must be paid immediately. This can be done via credit card (Visa or Mastercard) or direct debit. To set up a direct debit phone 1300 272 272.

HOW DO I CANCEL A HOME WARRANTY INSURANCE POLICY?

Insurance premiums may be refunded for the following reasons:

- owner decides to use an Owner Builder Permit
- owner decides to use another contractor
- the contract is terminated
- the work is not residential construction work
- council approval has not been granted
- owner ill/deceased
- owner cannot get finance

To cancel a policy, ALL of the following MUST be completed within 12 months from the day on which the contract was signed.

- the contractor must advise us in writing that they wish to cancel the policy
- the contract between the contractor and owner MUST have ended
- Any deposit must have been refunded, less lawful deductions
- the work under the contract MUST NOT have started.
- the cancellation must be completed within 12 months of the day the contract was entered into

Before cancellation the contractor must provide:

- a written authority to cancel
- signed and dated copy of the contract, including the section regarding deposit/stage payments
- copy of signed variations detailing changes made to the contract e.g. contract is for supply of kit only
- where appropriate, copy of written notice of withdrawal under 'cooling off period'
- evidence no money has been exchanged between the owner and builder, or evidence that money paid by the owner under the building contract has been refunded in accordance with the building contract (provide copy of reconciliation and/or receipts)
- a declaration that no works have commenced

We will refund the amount to:

- The licensed contractor
- The construction manager
- A person nominated in writing by the licensed contractor or construction manager

If another contractor is appointed to complete or carry on the work, a new insurance fee may be payable on the value of work carried out under that contract (each policy issued is specific to a single contract).

1300 272 272
www.bsa.qld.gov.au