

Eligibility application for builder with greater than \$5m in annual turnover

QBE Insurance (Australia) Limited ABN 78 003191 035 AFSL 239 545



Insurance Coverage

Residential Builders Warranty Insurance also known as Building Indemnity Insurance or Home Indemnity Insurance protects the person on whose behalf work is to be done and the subsequent homeowners for certain loss or damage resulting from noncompletion of the work or breach of statutory warranty because of death, disappearance or insolvency of the builder.

Letter of Eligibility (LOE)

Builders require an LOE from an approved Home Warranty Insurer in order to qualify for and/or renew their Building Licence in most Australian 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 an LOE to enable them to comply with relevant law relating 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 cannot be used as a Certificate of Insurance. The LOE can be cancelled at any time at the discretion of QBE.

Issuance of Certificates

Licensed Builders that have been issued with an 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). Retrospective cover will not be provided for jobs already commenced prior to granting an LOE, unless QBE provides specific written consent.

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 cannot 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.

Section 1 - Business information										
Legal name of the building entity (the Applicant)										
<i>(The Applicant is the Building Entity that will be applying for LOE, entering contracts with homeowners and providing the Statutory Financial Accounts)</i>										
Business type		Sole trader		Partnership		Company				
ABN		ACN		Business commencement date						
Business address								State		Postcode
Contact person								Business phone number		
Mobile number					Website					
Email										
Trade Association membership number <i>(please attach copy)</i>										
MBA	HIA	Other <i>(please specify)</i>								
State/Territories of operation		NSW	ACT	VIC	SA	WA	TAS	NT		
State in which eligibility is being sought		ACT (Builders Warranty Insurance)								
		SA (Building Indemnity Insurance)				WA (Home Indemnity Insurance)				

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			
Phone number			
Name of nominated supervisor/nominee		Date of birth	
Builder's licence number <i>(please attach copy)</i>		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 <i>(if applicable)</i>			
Name of business			
Position held			
From		to	
Name of business			
Position held			
From		to	

Section 3 - Business and personal background information

Where we say "you" in these questions we mean the person applying for this policy in their personal capacity as director, business proprietor, partner, building practitioner or nominated supervisor.

Where there are two or more 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 Builders Warranty insurer?	Yes	No
5.	Do you currently have Builders Warranty Eligibility with another provider? <i>(If so, please attach a copy of Letter of Eligibility)</i>	Yes	No
6.	Have you or any business in which you were involved ever been declined Builders Warranty Insurance?	Yes	No
7.	Has your previous Builders Warranty Insurance provider ever paid a claim or are you aware of any circumstances that may give rise to a claim? <i>(If so, please attach a copy of current Warranty Eligibility from insurer)</i>	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? <i>(If so, please indicate the amounts in the space below)</i>	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 and awards

General technical references

If you intend to apply for Building Contracts tendered to Architects or Multi-Unit (three 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 (dd/mm/yyyy)

Applicant's role in the project

Commentary on overall performance

Reporting entity name

Phone 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

Phone number

Email

Account limit (\$)

Payment terms (days)

2. Company/Supplier name

Phone number

Email

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's name

Phone number

Email

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:

Company

- Copy of full and final Financial Statements (Profit and Loss Statement with Trading Statement, Balance Sheet and Notes to Accounts) for the last 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 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 5.A).
- The requirement of Cash Flow forecasts will be at the discretion of the underwriters.
- Signed copy of Trust Deeds to be provided if the Applicant is trading via Trust.

Group's Structure

- If the Applicant is required for each entity within 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 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 Trader/Partnership

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

5.A. Current Working Capital Position

To be completed by entity 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 at (dd/mm/yyyy)		
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	\$

Section 5 - Financial Information (continued)

Short term loans		\$
Directors loans		\$
Bank bill		\$
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	
	No. of jobs	Value of those contracts (\$)	No. of jobs	Total estimated value of those contracts (\$)	No. of jobs	Estimated maximum individual contract value (\$)
Residential Building Work - Category						
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 of the above). Evidence of property ownership is required for all properties listed below (e.g. Council Rates Notice, Loan Statements).

Name of business - applicant's 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
(if online, type in your signature)

Date

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 licence/registration for each of the directors/partners/business proprietors/building practitioners or nominated supervisors - Section 2.
- Current Warranty Eligibility from existing insurer - Section 3.
- 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 \$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 12.

Section 10 - Your duty of disclosure

Your duty of disclosure

Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.

You have this duty until we agree to insure you.

You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

If you do not tell us something

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

Section 11 - Privacy

QBE's Privacy Policy describes how we collect, disclose, store and use personal information as well as how to access it, correct it or make a complaint. When we say personal information we may also mean sensitive information such as health information, criminal history or professional memberships that's relevant to us issuing, administering or managing products or providing services and the terms on which we will do these things. We use personal information to issue, administer and manage products and provide services. You can view our Privacy Policy at www.qbe.com.au/privacy, or to obtain a copy by phoning us on 133 723 or requesting it from our authorised representatives or service providers.

We may share your information with other QBE Group companies, our authorised representatives and service providers, each of which may be based outside of Australia.

By giving us personal information you consent to us collecting, disclosing, storing and using it in accordance with our Privacy Policy. If you give us someone else's personal information you confirm you've obtained their consent to do so.

If you don't provide all of the personal information we've requested we may be unable to issue, administer or manage products or provide services.

Section 12 – Applicant(s) 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 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 materially alters or changes, I/we will notify QBE immediately.
6. I/we understand that no Certificates of Insurance will be issued until this application has been accepted by QBE 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’s 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 any Australian court or tribunal 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 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 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.
11. I/we agree this document can be filled in, signed and sent electronically.

Declared by (Name)

For and on behalf of

Position/Title

Signature (if online, type in your signature)

Date (dd/mm/yyyy)

Declared by (Name)

For and on behalf of

Position/Title

Signature (if online, type in your signature)

Date (dd/mm/yyyy)