

# When is Home Warranty Insurance compulsory?

Home Warranty Insurance is a statutory product, compulsory under relevant building legislation in most states for builders carrying out residential building work.

Insurance must be purchased when the value of the work being done is:

- \$ Over \$12,000**  
in South Australia  
& the ACT
- \$ Over \$16,000**  
in Victoria
- \$ Over \$20,000**  
in New South Wales  
& Western Australia

Cover only applies when a builder dies, disappears or becomes insolvent (except in NSW and Victoria where cover is provided for outcomes relative to a specific dispute resolution process).

*MBAIS IS THE ONLY INSURANCE BROKER  
WHOSE PROFITS GO DIRECTLY BACK INTO  
THE BUILDING + CONSTRUCTION INDUSTRY.*

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we have to offer:



## HOME WARRANTY INSURANCE

[mbais.com.au](http://mbais.com.au)

Providing protection for  
your valued customers.



## WHAT IS HOME WARRANTY INSURANCE?

Home Warranty Insurance protects consumers from financial loss caused by a builder's failure to rectify or compensate for defective or incomplete residential building work. Builders are responsible for taking out Home Warranty Insurance at the time of entering into a building contract with a homeowner.

MBAIS has many years experience in dealing with the underwriters of Home Warranty Insurance in Australia and has a designated Home Warranty team that are well placed to assist both new and existing builders through the eligibility and review processes. MBAIS also has an online certificate issuing system, operating in all states where Home Warranty is required (except QLD), allowing builders to complete their application, pay their premium and receive their certificate of insurance, all online 24/7.

**For our certificate issuing system, visit:**  
**[www.mbais.com.au/get-a-quote](http://www.mbais.com.au/get-a-quote)**



# HOME WARRANTY INSURANCE IN YOUR STATE:

**Home Warranty Insurance varies from state to state and is subject to legislation change at any time.**

**For the latest updates, visit: [www.mbais.com.au/news](http://www.mbais.com.au/news)**

## VICTORIA

Home Warranty Insurance, or Domestic Building Insurance (DBI) as it is referred to in Victoria, covers the homeowner (and subsequent owners) where the contracted building work is incomplete or defective and the builder has either died, disappeared, become insolvent during construction or has failed to respond to a rectification order within 30 days of it being issued. The cover lasts up to 6 years from completion of the domestic building work or termination of the domestic building contract (6 years for structural defects and 2 years for non-structural).

Visit [www.dbi.vmia.vic.gov.au](http://www.dbi.vmia.vic.gov.au) for more information.

## NEW SOUTH WALES

Home Warranty Insurance, or Home Building Compensation Fund (HBCF) as it is now referred to in NSW, covers the homeowner (and subsequent owners) where the contracted building work is incomplete or defective and the builder has either died, disappeared, become insolvent during construction or has failed to respond to a rectification order within 30 days of it being issued. The cover lasts up to 6 years from completion of the domestic building work or termination of the domestic building contract (6 years for structural defects and 2 years for non-structural).

Visit [www.hbcf.nsw.gov.au](http://www.hbcf.nsw.gov.au) for more information.

## WESTERN AUSTRALIA

Home Warranty Insurance, or Home Indemnity Insurance as it is referred to in WA, covers the homeowner (and subsequent owners) for completion of the building work and loss of deposit should the builder die, disappear or become insolvent within 6 years from the date of practical completion of a new home.

As from 2 July 2007, all residential building work valued over \$20,000 must be covered by Home Indemnity Insurance. It is compulsory for registered building contractors to take out a Home Indemnity Insurance policy before accepting any payment or obtaining a building licence or permit from the local government. The home owner must also be given a copy of the insurance certificate.

Visit [www.commerce.wa.gov.au](http://www.commerce.wa.gov.au) for more information.

## AUSTRALIAN CAPITAL TERRITORY

Home Warranty Insurance in the ACT covers the homeowner (and subsequent owners) for completion of the building work and loss of deposit should the builder die, disappear or become insolvent. The cover lasts up to 6 years from completion of the domestic building work or termination of the domestic building contract (6 years for structural defects and 2 years for non-structural).

It is compulsory for registered building contractors to take out a Home Warranty Insurance policy for contracts over \$12,000 before accepting any payment or obtaining a building licence or permit from the local government. The home owner must also be given a copy of the insurance certificate.

Visit [www.actpla.act.gov.au](http://www.actpla.act.gov.au) for more information.

## SOUTH AUSTRALIA

Home Warranty Insurance or Building Indemnity Insurance as it is referred to in SA covers the homeowner (and subsequent owners) for completion of the building work and loss of deposit should the builder die, disappear or become insolvent within 5 years from the date of practical completion of a new home.

It is compulsory for registered building contractors to take out a Home Warranty Insurance policy for contracts over \$12,000 before accepting any payment or obtaining a building licence or permit from the local government. The home owner must also be given a copy of the insurance certificate.

Visit [www.cbs.sa.gov.au](http://www.cbs.sa.gov.au) for more information.