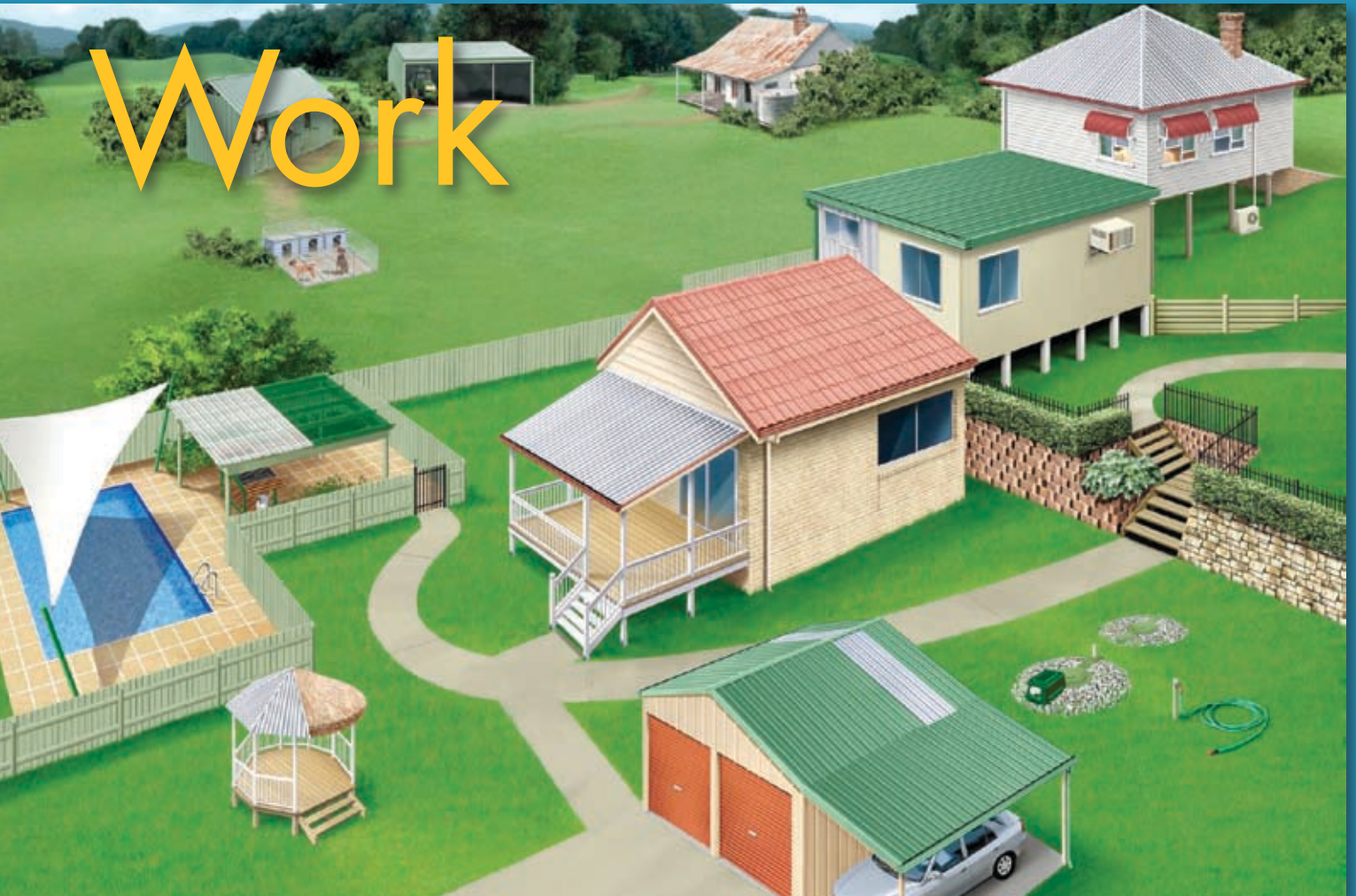




# Insurable

RESIDENTIAL CONSTRUCTION

# Work





All contractors who perform residential construction work valued over \$3,301 (including GST) must take out BSA Home Warranty Insurance when working directly for consumers.

Payment of Home Warranty Insurance is not restricted to builders. Any licensee 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 BSA before starting any insurable building work in Queensland. Contractors can be fined up to 40 penalty units if insurance is not paid in accordance with the legislation.

*If you have one of the following licences, and are you performing work for an owner on a home or unit of less than 3 storeys with a value of \$3,301 or more, you will most likely have to take out Home Warranty Insurance. Step 1 explains the work on which insurance is payable. Step 2 outlines work that is never insurable.*

<ul style="list-style-type: none"> <li><input type="checkbox"/> Builder Low Rise</li> <li><input type="checkbox"/> Builder Medium Rise</li> <li><input type="checkbox"/> Builder open</li> <li><input type="checkbox"/> Builder Restricted to Kitchens Bathrooms &amp; Laundry Installations</li> <li><input type="checkbox"/> Builder Restricted to Structural Landscaping</li> <li><input type="checkbox"/> Bricklaying and blocklaying</li> <li><input type="checkbox"/> Carpentry</li> <li><input type="checkbox"/> Concreting</li> <li><input type="checkbox"/> Glass, Glazing &amp; Aluminium</li> <li><input type="checkbox"/> Plastering Drywall</li> <li><input type="checkbox"/> Plumbing &amp; Draining</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Roof Tiling</li> <li><input type="checkbox"/> Structural Landscaping (Trade)</li> <li><input type="checkbox"/> Cabinet Making</li> <li><input type="checkbox"/> Foundation Work – Piling/Anchors</li> <li><input type="checkbox"/> Joinery</li> <li><input type="checkbox"/> Structural Metal Fabrication &amp; Erection</li> <li><input type="checkbox"/> Metal Fascia &amp; Gutter</li> <li><input type="checkbox"/> Roof &amp; Wall Cladding</li> <li><input type="checkbox"/> Sheds, Carports &amp; Garages</li> <li><input type="checkbox"/> Waterproofing</li> <li><input type="checkbox"/> Steelfixing</li> <li><input type="checkbox"/> Stonemasonry</li> </ul>
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STEP 1: <i>If you answer 'yes' to any of the following questions, you must pay an insurance premium.</i>	
A	<p>Is the work the construction of a new house, multiple dwelling, town house or units that are no more than 3 storeys (excluding car park)?</p> <p style="text-align: center;">OR</p> <p>Is the work additions, alteration, renovation or repair to a house, multiple dwelling, town house or unit and the value of the work over \$3,300?</p> <p style="text-align: center;">AND</p> <p>Is the work one of the following?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Work which affects structural performance of the residence/Related Roofed Building (RRB) (e.g. underpinning of a house).</li> <li><input type="checkbox"/> Replacing of roof, wall, internal partition, floor, foundation.</li> <li><input type="checkbox"/> Replacement or refitting of a kitchen or bathroom in the residence/RRB.</li> <li><input type="checkbox"/> Work on an unenclosed elevated platform, deck or verandah attached to a residence.</li> <li><input type="checkbox"/> Work which increases the covered floor area of residence/RRB (e.g. raise house and build-in underneath).</li> <li><input type="checkbox"/> Installation or repair of primary water supply, sewerage, drainage to the residence/RRB.</li> </ul>
	<p>YES ⇒ pay insurance</p> <p>NO ⇒ no insurance</p> <p>YES ⇒ go to C</p> <p>NO ⇒ no insurance</p> <p>YES ⇒ pay insurance</p>





## STEP 2: *If the work you are doing is in this table, you DO NOT need Builders Warranty.*

The following work is excluded from insurance:

- The construction of a prefab building constructed in factory (installation is insurable)
- Caravan
- Demountables
- Multiple dwellings (units) over 3 storeys (excluding the car park)
- A caravan park, hotel, holiday accommodation
- A prison, hospital, retirement village\*, school
- Work performed by an owner builder
- Loading, unloading or transporting a residence

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 BSA directly.

*\*If it falls under the Retirement Villages Act 1999*

## THE PREMIUM AND CERTIFICATE OF INSURANCE

The premium is based on 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 premium).

Premium Tables are available from [www.bsa.qld.gov.au](http://www.bsa.qld.gov.au), or directly from BSA.

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

A Certificate of Insurance is issued to a property owner by BSA when a licensee notifies BSA 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 BSA's Statutory Home Warranty Scheme.

BSA must be notified of any changes to a contract. When advised of the changes, BSA will amend the owner's Certificate of Insurance and send an updated Confirmation Letter.

Alterations can include changes to:

- site description (lot and plan numbers)
- site address
- contract value following a variation made by the contractor or owner. (The corrected balance will appear on the contractor's monthly statement.)

Each month BSA will issue you with a statement showing 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 BSA.

## HOW DO I PAY HOME WARRANTY INSURANCE?

**In Person:** You can pay at any BSA office.

**PhonePay:** The easiest way to pay BSA Home Warranty Insurance is 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 you have lost or forgotten your PIN, please call our Customer Contact Centre and we will issue you a new PIN within 24 hours.

Once you have your BSA licence and PIN you can use PhonePay to take out Home Warranty Insurance within minutes.

**Information required for Insurance Cover:**

- the real property description of the site i.e. lot , plan type and number
- full site address
- advise 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 BSA BSA.

## HOW DO I CANCEL A HOME WARRANTY INSURANCE POLICY?

Insurance 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
- council approval has not been granted
- a duplicate payment has been made by the contractor
- construction is not in Queensland
- contractor ill/deceased
- owner ill/deceased
- owner cannot get finance

To cancel the policy:

- The contractor must advise BSA in writing they wish to cancel the policy.
- The contract between the contractor and owner MUST be terminated.
- Any deposit must be refunded, less lawful deductions.
- The work under the policy MUST NOT have started.
- It must be within one year 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 variation 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 no works have commenced

*NB For contracts dated 21 December 2007 or earlier:*

The contractor MUST return the Certificate of Insurance to BSA along with all other policy cancellation documents or provide a Statutory Declaration from the owner advising the reason the certificate could not be returned. The one year ruling does not apply in these instances.

BSA 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).

*BSA may charge a \$30 administration fee when cancelling a permit.\**

## BSA OFFICE LOCATIONS

### BRISBANE

299 Montague Road  
West End QLD 4101  
Fax: 3225 2999

### GOLD COAST

Robina Super Centre  
86 Robina Town Centre Dr  
Robina QLD 4230  
Fax: 5575 7666

### MARYBOROUGH

1/208 Lennox St  
Maryborough QLD 4650  
Fax: 4953 4151

### TOOWOOMBA

Clestrain Mall  
131A Herries St  
Toowoomba QLD 4350  
Fax: 4638 1917

### MACKAY

25 River St  
Mackay QLD 4740  
Fax: 4953 4151

### ROCKHAMPTON

164 Beserker St  
Cnr Elphinstone St  
North Rockhampton QLD 4701  
Fax: 4926 1377

### TOWNSVILLE

287 Ross River Rd  
Aitkenvale QLD 4814  
Fax: 4725 3401

### CAIRNS

181 Aumuller St  
Westcourt QLD 4870  
Fax: 4048 1124

### SUNSHINE COAST

Unit 7  
Cnr Baden Powell St &  
Maroochydore Rd  
Maroochydore QLD 4558  
Fax: 5459 9655



1 300 BSA BSA  
[www.bsa.qld.gov.au](http://www.bsa.qld.gov.au)