

NOTICES OF COVER UNDER THE QUEENSLAND HOME WARRANTY SCHEME



The Queensland Building and Construction Commission (QBCC) regulates the building industry in Queensland. One of the QBCC's legislated functions is administering a statutory insurance scheme called the Queensland Home Warranty Scheme.

QUEENSLAND HOME WARRANTY SCHEME

The Queensland Home Warranty Scheme protects Queensland homeowners from incomplete or defective residential construction work. The scheme is not-for-profit and is self-funded through the payment of premiums.

Cover under the Queensland Home Warranty Scheme is compulsory for all residential construction work carried out in Queensland, and development approval cannot be granted until the premium is paid. The process by which the premium is paid is prescribed in the *Queensland Building and Construction Commission Act 1991* (the QBCC Act). Contractors collect the premium from consumers and pay it to the QBCC on behalf of the consumer.

WHO IS ENTITLED TO MAKE A CLAIM UNDER THE SCHEME?

The QBCC Act states who is entitled to make a claim, and the terms of cover provided. Only a person who contracts with a licensed contractor to carry out residential construction work, or a person who purchases the work once completed, can make a claim.

NOTICE OF COVER

The QBCC Act provides that when the premium has been paid, the QBCC must issue a notice of cover containing the following details:

- a description of the work
- name and licence number of the licensed contractor who carried out the work
- site address of the work
- the insurable value of the work
- the premium paid

Unlike general insurance the cover note does not state the name of the insured, as this is prescribed by legislation, and can change if the work covered is sold.

A MORTGAGEE WILL NOT BE LISTED AS AN 'INTERESTED PARTY'

The QBCC will not name, note, record as interested party or otherwise refer to a mortgagee or any person other than the contractor performing the work on the Notice of Cover.

A mortgagee, even when acting as mortgagee in possession, is not a consumer who is entitled under the QBCC Act to make a claim, and the terms of cover stated in the legislation do not extend rights to third party beneficiaries.

For further details on the Queensland Home Warranty Scheme visit qbcc.qld.gov.au