

## QUEENSLAND

	<b>HWI Mark 1</b>	<b>HWI Mark 2</b>	<b>HWI Mark 3</b>
<b>Date of Issue of Policy</b>	1 September 2003 to 29 December 2006 (Edn 6) – (only applies to residential construction work)	29 December 2006 to 1 July 2009 (Edn 7) – (only applies to residential construction work)	1 July 2009 to present (Edn 8) – (only applies to residential construction work)
<b>Pre-conditions for claim</b>			
<b>Maximum Amount of Payment</b>	For common property – the lowest of either \$1,000,000, \$200,000 times the number of residential units or an amt calculated as replacement value (cl. 4.2(a)(ii) of IPC6)	For common property – the lowest of either \$1,000,000, \$200,000 times the number of residential units or an amt calculated as replacement value (cl 4.4(a) of IPC7)  (Duplex) The replacement value of the residential construction work or \$200, 000– whichever is less (cl. 4.2(b) of IPC7)	For common property— \$1,000, 000 or \$200,000 times the number of residential units in the building or an amt calculated as replacement value (cl 6.5 of IPC8).  (Duplex) The replacement value of the residential construction work or \$200, 000– whichever is less (cl. 6.2(b) of IPC8)
<b>Period for notification</b>	Cat. 1 (claim w/in 3 mths of awareness); Cat. 2 (claim w/in 7 mths of practical completion) (cl. 2.5(a) and (b) IPC6 respectively)	Cat. 1 (Claim w/in 3 months of awareness); Cat. 2 (Claim w/in 7 mths of practical completion). (cl. 2.5(a) and (b) of IPC7 respectively).	Cat. 1 (Claim w/in 3 months of awareness); Cat. 2 (Claim w/in 7 mths of practical completion). (cl. 4.5(a) and (b) of IPC8 respectively).

Current as at 1 July 2011. The above information is not, and is not intended to be, legal advice. It is a summary of various legislation as applicable to building defects disputes. It should not be treated as a comprehensive review of applicable legislation as it applies to building defects disputes.

HWI = Home Warranty Insurance; HBA = Home Building Act; HBR1 = Home Building Regulation 1997; HBR2 = Home Building Regulation 2004 (commenced 1 September 2004) (NB Reg 88 of HBR2 states that any act, matter or thing that, immediately before the repeal of HBR1, had effect under HBR1 continues to have effect under HBR2)

<b>Application to review</b>	Appln to be made w/in 28 days after the insured receives written notice of decision (cl. 8.2(b) IPC6)	Appln to be made w/in 28 days after the insured receives notice of the decision (cl.8.2(b) IPC7)	Appln to be made w/in 28 days after the insured receives notice of the decision (cl.10.2(b) of IPC8).
<b>Excess per claim</b>	No excess	No excess	No excess
<b>Tax</b>	All maximum liability amounts are inclusive of all relevant taxes (cl. 4.3(b) IPC6)	All maximum liability amounts are inclusive of all relevant taxes (cl 4.8(b) IPC7)	All maximum liability amounts are inclusive of all relevant taxes (cl. 6.1 (b) of IPC8)
<b>Limitations on liability</b>	BSA's liability to pay will not arise: (a) where the Insured unreasonably refuses access; (b) where a direction to rectify issued, until BSA is satisfied that the contractor will not comply with that direction (cl. 2.3 IPC6)	BSA's liability to pay will not arise: (a) where the Insured unreasonably refuses access; (b) where a direction to rectify issued, until BSA is satisfied that the contractor will not comply with that direction (c) in circumstances where the contractor has a continuing obligation to complete the residential construction work (cl. 2.3 IPC7)	BSA's liability to pay will not arise: (a) where the Insured unreasonably refuses access; (b) where a direction to rectify issued, until BSA is satisfied that the contractor will not comply with that direction in circumstances where the contractor has a continuing obligation to complete the residential construction work (cl 4.2 IPC8)

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<p><b>Losses indemnified</b></p>	<p>BSA pays:</p> <ul style="list-style-type: none"> <li>(a) the reasonable cost of rectifying defects in residential building work that is primary building work (no coverage for associated building work);</li> <li>(b) the reasonable alternative accommodation of the insured and any removal and storage costs of the insured; and</li> <li>(c) where remedial works are unnecessary or unreasonable, only the loss in value, if any, in the residential construction work (cl. 2.2 IPC6).</li> </ul>	<p>BSA pays:</p> <ul style="list-style-type: none"> <li>(a) the reasonable cost of rectifying defects in residential building work that is primary building work (no coverage for associated building work);</li> <li>(b) the reasonable alternative accommodation of the insured and any removal and storage costs of the insured; and</li> <li>(c) where remedial works are unnecessary or unreasonable, only the loss in value, if any, in the residential construction work (cl. 2.2 IPC7).</li> </ul>	<p>BSA pays:</p> <ul style="list-style-type: none"> <li>(a) the reasonable cost of rectifying defects in residential building work that is primary building work (no coverage for associated building work);</li> <li>(b) the reasonable alternative accommodation of the insured and any removal and storage costs of the insured; and</li> <li>(c) where remedial works are unnecessary or unreasonable, only the loss in value, if any, in the residential construction work (cl. 4.2 IPC8).</li> </ul>
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<p><b>General Exclusions</b></p>	<p>BSA may refuse payment for loss where:</p> <ul style="list-style-type: none"> <li>(a) residential construction work has been completed or rectified without prior written approval of BSA (cl. 5.1 IPC6);</li> <li>(b) loss is caused by or contributed to by: (i) the act, omission or inaction of any person other than the contractor; (ii) defective design; (iii) fair wear and tear or lack of maintenance or neglect; (iv) failure to carry out reasonable recommendations given by BSA; (v) pressure waves caused by aircraft or other aerial devices; or (vi) earthquake, erosion, flood, storm, landslip, tidal wave, change of water course, failure of artificial devices for the storage or conveyance of water or gas, fire, theft, malicious</li> </ul>		<p>BSA may refuse payment for loss where:</p> <ul style="list-style-type: none"> <li>(a) residential construction work has been completed or rectified without prior written approval of BSA (cl. 7.1 IPC8);</li> </ul>
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	damage or accidental damage (cl. 5.4 IPC6).		
<b>Period of insurance</b>			
All defects			
Category 1 defects – work that adversely affects the structural performance of the building, health and safety of occupiers, the functional use or allows for water penetration	6 years and 6 months from payment of premium (cl. 2.4(a)(i) IPC6).	6 years and 6 months from payment of premium (cl 2.4(a)(i) IPC7).	6 years and 6 months from payment of premium (cl 4.4(a)(i) IPC8).

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Category 2 defects- work that is not Cat one and does not meet the reasonable standards of construction or finish or has caused a 'settling in period' defect in a new building	6 months from date of practical completion (cl. 2.4(c)(i) IPC6	6 months from date of practical completion (cl. 2.4(c)(i) IPC7	6 months from date of practical completion (cl. 4.4(c)(i) IPC8
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