

## VICTORIA

	<b>DBI Mark 1</b>	<b>DBI Mark 2</b>
<b>Date of Issue of Policy</b>	1 May 1996 to 30 June 2002	1 July 2002 to 1 July 2011
<b>Pre-conditions for claim</b>	None (except from 10 April 2002 – no insurance required if more than 3 storeys (not including carpark) (Building (Multi-Storey Residential Building Exemption) Regulations 2002 and cl.56 MO3))	Insolvency, death or disappearance of builder (cl.8(3) & 9(3) MO3)
<b>Minimum statutory insurance cover</b>	Not less than \$100,000 per home plus associated reasonable legal costs and expenses (s.10.1.2 MO1)	Not less than \$200,000 per home including associated reasonable legal costs and expenses (cl.35 MO3)
<b>Period for notification</b>	Not entitled to make claim unless notified insurer or insured w/in 180 days of date of awareness (cl.10.1.3 MO1)	If claim made w/in 180 days of date of awareness, insurer may not reduce it's liability due to delay in notification or refuse to accept claim (cl.31(2)/44 MO3)
<b>Deemed acceptance</b>	Insurer deemed to have accepted liability if no response within 90 days (cl.11.2 MO1, cl.29 MO3)	
<b>Insurance appeals</b>	Appeals against a decision of an insurer must be made within 28 days of the date of receipt of notice of decision (unless s.61(2) applies) (s.61(3) DBCA)	Appeals against a decision of an insurer must be made within 28 days of the date of receipt of notice of decision (unless s.61(2) applies) (s.61(3) DBCA)
<b>Excess per claim</b>	\$1,000 for claim made after 5 yrs; \$750 for claim made 3 – 5 yrs; \$500 for claim made 1 – 3 yrs; \$Nil for claim made w/in 3 mths (cl.10.1.1 MO1)	\$1,000 for claim made after 5 yrs; \$750 for claim made 3 – 5 yrs; \$500 for claim made 1 – 3 yrs; \$Nil for claim made w/in 3 mths (cl.46 MO3)
<b>Extensions/renovations of existing homes</b>	DBI required	DBI required
<b>Losses indemnified</b>	Includes losses arising from: i) defective domestic building work including breach of implied warranties; ii) failure to maintain a standard or quality of building work specified in the contract; iii) cost of alternative accommodation, removal & storage; iv) loss of deposit or progress payment; and v) conduct contravening section 18, 29, 34 or 151 or Subdivision B of Division 1 of Part 3-2 of the Australian Consumer Law (Victoria)) (cl.2 MO1)	

<b>Limitations on liability</b>	Limitations or exclusions on liability may include: i) fair wear and tear; ii) failure to maintain works; iii) landscaping; iv) paving; v) retaining structures; vi) driveways; and vii) fencing (cl.10.1.4/5 MO1; cl.36/37 MO3)	
<b>Reduction of liability</b>	Where Subdivision Act 1988 applies and a claim is paid by the insurer in relation the common property the amount of cover in respect of any one home shall be reduced by not more than an amount calculated by dividing the amount paid under the claim by the number of homes comprised in the building or complex (cl.10.1.7 MO1)	
<b>Period of insurance</b>	Schedule 1 MO3 defines 'completion date', 'non-structural defect' and 'structural defect' (from 1 July 2002)	
<b>All defects</b>	6.5 yrs from completion (cl.4.2 MO1) (from 1/12/98, 7 yrs from commencement if no occupancy permit or certificate of final inspection cl.4.2 MO2)	
<b>Non structural defects</b>		2 years from completion (cl.12(1) MO3)
<b>Structural defects</b>		6 years from completion (cl.12(2) MO3)

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 relating to Domestic Building Insurance as applicable to building defects disputes in Victoria. It should not be treated as a comprehensive review of applicable legislation as it applies to building defects disputes

NB: From 31 March 2010 to 30 June 2013 the Victorian Managed Insurance Authority is to provide domestic building insurance to domestic builders as well as people to whom section 137B of the Building Act applies on comparable terms and conditions to their previous cover.

DBI = Domestic Building Insurance; BA = Building Act 1993; DBCA = Domestic Building Contracts Act 1995; MO1 = Ministerial Order S25 dated 18 March 1996; MO2 = Ministerial Order S122 dated 30 October 1998; MO3 = Ministerial Order S82 dated 20 May 2002

\* formerly sections 52 or 53 of the Trade Practices Act 1974 or sections 11 or 12 of the Fair Trading Act (extended to include s.55A & 74 TPA and s.17 FTA cl.5.1.4 MO2)