

Ministerial Insurance Order 2008

Changes to builders' insurance

A new Ministerial Insurance Order for Accredited Building Practitioners now applies. There are important changes affecting builders.

Why were changes to the insurance requirements being made?

There are two important reasons why a new Insurance Order was required:

- From July 2008 a new *Scheme for the Accreditation of Building Practitioners 2008* has applied. Under the 2008 Scheme there will be three categories of builder (Low Rise, Medium Rise and Open). The distinction between domestic and commercial builders has been removed.
- From 1 July 2008 the *Housing Indemnity Amendment Act 2008* removed the mandatory requirement for domestic builders to purchase Housing Indemnity Insurance under the *Housing Indemnity Act 1992*.

What types of insurance do builders need to buy?

- **From 30 August 2008 all builders (Low Rise, Medium Rise and Open) will need Contract Works Insurance and Public Liability Insurance.** This has been the requirement for commercial builders since 2007.
- This means that builders who mainly perform domestic work and previously had to purchase Housing Indemnity Insurance will now need contract works and public liability insurance.

When will compliance with the new Insurance Order be checked?

The new insurance requirements came into force on 30 August 2008. By the next anniversary of their accreditation all builders will have to show that they have Contract Works Insurance and Public Liability Insurance cover in place for all projects they contract for or work on.

Are Construction Managers affected by insurance changes?

No, the requirement is still Professional Indemnity Insurance.

Are Fire Protection Service Builders affected?

Yes, builders in this special category will, by the next anniversary of their accreditation, have to show that they have Contract Works Insurance and Public Liability Insurance cover. They will no longer need to buy Professional Indemnity Insurance.

Builders (also accredited as building designers) who do their own “design and construct” work.

An accredited builder designer (also accredited as builder) who does “design and construct” projects for their clients does not need to be covered by professional indemnity insurance. They only need Contract Works and Public Liability.

Which categories of practitioner are not affected by any changes in the new Order?

- There is **no change** that affect the previous insurance requirements for Building Surveyors, Assistant Building Surveyors, Engineers, Architects, Building Designers, Building Services Designers and Construction Managers. The requirement is still Professional Indemnity Insurance.
- There is **no change** that affects the previous insurance requirement for the category of Demolisher. The requirement is still Public Liability Insurance.

When does the Insurance Order 2008 and these changes take effect?

The Insurance Order was published in the *Government Gazette* on 30 July 2008 and applied from 30 August 2008.

Where can I get a copy of the Ministerial Insurance Order 2008?

- An up to date version incorporating all amendments is available on the Building Control Branch Website: www.wst.tas.gov.au/building
- Printed copies of the Order can be obtained from the Workplace Standards Tasmania Helpline on 1300 366 322

Want more information?

For more information phone the Workplace Standards Tasmania Helpline on 1300 366 322 (inside Tasmania) or 03 6233 7657 (outside Tasmania) or go to the website www.wst.tas.gov.au/building

WST email: wstinfo@justice.tas.gov.au