

## HBCF Eligibility Fact Sheet

This information will help you to understand what **HBCF Eligibility** is, why you need it and how to get Eligibility so that you can buy **Home Building Compensation (HBC) Insurance**.

### What is Eligibility?

Eligibility is the term used to describe the approval of a builder to apply for an **HBC Certificate of Insurance (COI)** for specific projects and under what conditions they can keep buying insurance from us. It follows an application and review process we discuss in this fact sheet.

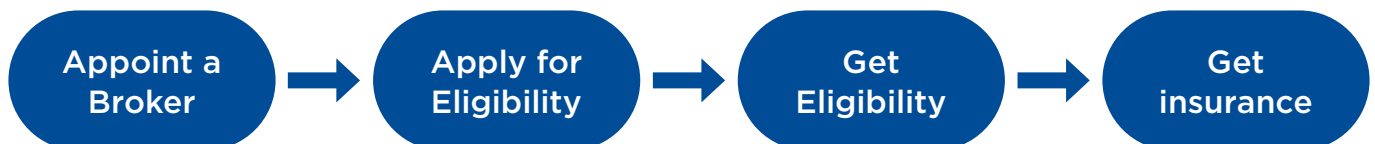
### What is a Certificate of Eligibility?

When our Eligibility Assessment results in a successful outcome, we will issue a Certificate of Eligibility (COE) and Builder Eligibility Assessment Report. The COE defines your Eligibility Profile. Each Eligibility Profile includes the following conditions:

- open job limits (number and value)
- types of construction requiring HBC insurance you can undertake, and the maximum contract price.

You must have a COE before you can purchase HBC insurance. Please refer to the *HBC Insurance Fact Sheet for information on HBC insurance*.

### How do I get Eligibility?



#### 1. Appoint a broker from our list of approved broker distributors

HBCF does not deal directly with builders and you cannot apply to us directly. You need to engage a broker to help you through the Eligibility process and, afterwards, to purchase COIs. Your broker can explain what you need to provide and will submit your application for you.

You can find a list of the nine approved HBCF broker distributors and their fees on the icare website: [www.icare.nsw.gov.au/builders-and-homeowners/builders-and-distributors/find-a-broker-distributor](http://www.icare.nsw.gov.au/builders-and-homeowners/builders-and-distributors/find-a-broker-distributor).

#### 2. Apply for Eligibility

Your Broker will help you to submit your Eligibility Application. If you qualify for our auto-assessment process, you only need to provide some basic information. More than 90% of current HBCF builders qualify for auto-assessment.

Builders that don't qualify for auto-assessment must be manually assessed. Manually assessed builders are mostly those that may present a higher risk to the Home Building Compensation Fund (HBCF), such as newer or larger builders. When we perform manual assessments, we usually require financial and non-financial information. For details, refer to our Eligibility requirements which are available on our website.

**View the Eligibility Checklist for the automated assessment process**

Most builders who apply to us qualify for our auto-assessment process. View the **Eligibility** requirements on our website to see what’s required.

**View the Eligibility Checklist for a manual assessment**

To apply for Eligibility, you’ll need to provide financial and non-financial information. For example:

- your completed Eligibility and Profile Change Application form
- a recent balance sheet, profit and loss statement (for company and trust), or tax returns (for sole trader and partnership)
- a statement of personal assets and liabilities
- copies of rates notices for all properties declared on the statement of personal assets and liabilities
- refer to the check-list in the application form for any other required supporting documentation. This includes financial statements, likely number, type and value of potential projects and your contractor licence details.

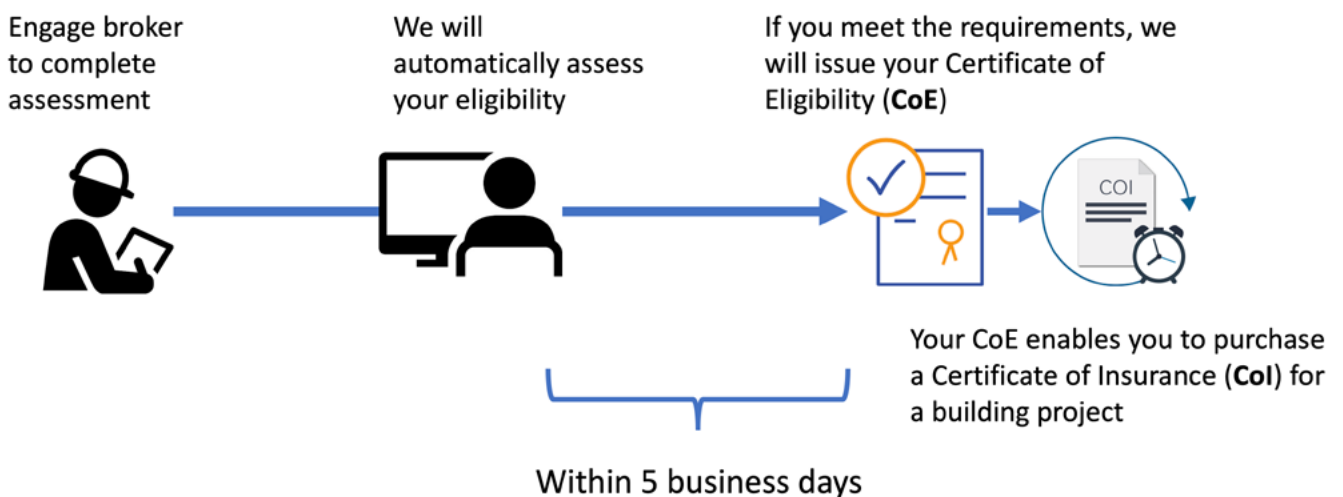
You can download the *Builder Eligibility/Profile Change Application* from our website:

[www.icare.nsw.gov.au/builders-and-homeowners/builders-and-distributors/eligibility/apply-for-eligibility](http://www.icare.nsw.gov.au/builders-and-homeowners/builders-and-distributors/eligibility/apply-for-eligibility)

**New auto-assessment process**

We have created a new auto-assessment process to streamline applications for Eligibility. This new process enables builders who qualify and meet assessment requirements, to receive their COE and purchase a COI within two business days. Please refer to our website to see if you meet the auto-assessment requirements ([www.icare.nsw.gov.au/builders-and-homeowners/builders-and-distributors/eligibility/apply-for-eligibility](http://www.icare.nsw.gov.au/builders-and-homeowners/builders-and-distributors/eligibility/apply-for-eligibility)).

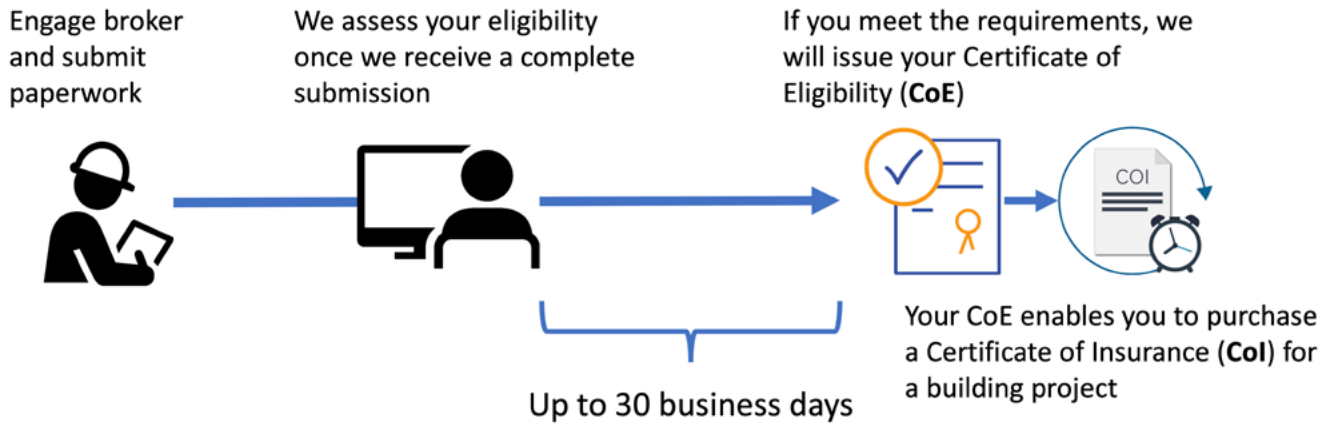
**Auto-Assessment**



## Standard assessment process

Depending on the size and complexity of the project and the building entity's history, the standard Eligibility Assessment process takes up to 30 business days. The sooner you can provide your broker with the required documentation, the sooner you will get your COE.

### Manual Assessment



## 3. Get Eligibility

For auto-assessments, from the time your Broker submits your application, it's a maximum of two business days until you receive the outcome.

Because manual assessments require us to review a lot more information about the applicant, this process can take up to 30 business days. You can avoid unnecessary delays by promptly providing all the information required to complete the assessment.

## What if I disagree with an Eligibility decision?

If you disagree with an Eligibility decision you have the right to request a review, but you must make the request within five business days of receiving a decision from an ASR assessment or within 20 business days of receiving the Eligibility decision from a manual assessment. We usually provide a decision within 15 business days of your request for review.

## Do I have to use a broker?

Yes. We only can deal with builders through brokers appointed to our Distributor Panel. You can see the Distributor Panel details on our website: [www.icare.nsw.gov.au/builders-and-homeowners/builders-and-distributors/find-a-broker-distributor](http://www.icare.nsw.gov.au/builders-and-homeowners/builders-and-distributors/find-a-broker-distributor).

The broker you choose will act on your behalf and guide you through the Eligibility Assessment process.

## How long does Eligibility last?

We grant eligibility for up to three years, depending on the type, number, and value of your projects. The COE clearly states the expiry date. If we become aware of problems with building projects or your business, we may schedule a Special Eligibility Review (SER) at any time. We will always provide you with advanced notice of any upcoming review, so you and your broker have time to prepare. If we determine to reduce your eligibility, we will give you notice of that as well.

## Can I lose my Eligibility?

Yes. If we become aware of changes (to your business or your projects) that indicate that there is an increased risk, we may suspend or cancel your Eligibility. For example, if Fair Trading cancels your Builder's license, you have solvency issues, or you have not complied with a tribunal or court order by the due date, these are valid reasons for us to review and possibly suspend or cancel your Eligibility.

The Eligibility Manual contains more details about the situations that can result in the loss of Eligibility, the notices HBCF sends to your Broker about these situations in advance of potential Eligibility suspension/cancellation, and what you can do address identified issues.

## Do people who work for me need Eligibility?

No. Your Eligibility covers sub-contractors that work for you on the specific project and you are responsible for the quality of their work. If they do work in their own right (not as a sub-contractor), they would need their own Eligibility and insurance for their work.

## Can I transfer my Eligibility to someone else?

No. Eligibility cannot be transferred from one builder to another. Attempting to do so may have serious legal consequences.

## Disclaimer

Please note that this document cannot be relied upon for any purpose other than the determination of icare compliance with eligibility requirements in accordance with the Home Building Act 1989 and associated regulations. Beyond that purpose, the intention of this document is to provide general guidance in plain language and there are a variety of documents, guidelines, legislation, and other information to which should be referred to rather than relying on this document. icare HBCF will not accept any liability arising from reliance upon or use of this document.