

Home Building Compensation Fund

icare Home Building Compensation Fund (HBCF) provides a safety net for homeowners with incomplete or defective residential building work where the builder or contractor is no longer able to meet their contractual obligations.

What you're covered for

icare HBCF insurance gives you protection for losses arising from defective and incomplete work where the builder or contractor:

- becomes insolvent
- dies
- disappears,
- has their building licence suspended due to non-compliance with a money order in your favour made by the NCAT or a Court.

This cover can be claimed:

- for six years from the date of job completion for major defects
- for two years from the date of job completion for minor or non-major defects
- for twelve months for losses resulting from incomplete works, running from the date of the cessation of the work or failure to commence.

The cover protects you and any subsequent purchasers of your home.

Before you start building

Licensed contractors that take on residential work over \$20,000 need insurance cover and must obtain it before starting any work or taking any money under the contract, including the deposit. This is compulsory for all licensed builders and contractors (unless exempted under the Home Building Act 1989).

Check your builder's eligibility

Before builders and contractors can apply for a Certificate of Insurance for a project, they must have a Certificate of Eligibility. These set out the types of construction and how much work a contractor or builder can take on.

You can check your builder's licence by visiting the [Service Now Public Register](#) to confirm whether your builder is able to contract for work requiring HBC insurance.

Your Certificate of Insurance

Before your builder or contractor starts any kind of residential building work valued at over \$20,000 (or receives any payment under the building contract for that work, including a deposit), they must provide you with evidence of cover under the home building compensation scheme specifically for your property.

It's your responsibility to ensure you have received the certificate prior to handing over a deposit or work starts. You can check your cover at the State Insurance Regulatory Authority's (SIRA) HBC check [here](#). Homeowners without cover will be unable to make a claim.

It should contain:

- the names of the builder/contractor and homeowner
- the property address (i.e. site address of the building work)
- contract price
- a brief description of the building work.

Make sure you know if you are contracting with an individual, partnership or company and check that the builder's or contractor's name shown on the certificate provided to you is exactly the same as that on the building contract and the licence issued by NSW Fair Trading.

If you are unsure as to the validity of a Certificate of Insurance you can check the publicly available online Certificates Register, containing all certificates issued by icare HBCF and any other providers.

Notifying a potential claim

You may make a notification to icare HBCF at any time.

Once you have notified of your possible claim, contact your builder or contractor and request them to complete the work. If you are unsuccessful contacting your builder or contractor, or they have refused to complete the work, you should then:

- lodge a complaint with NSW Fair Trading
- lodge a claim with NCAT or a Court (depending on value) to have the builder finish any incomplete or rectify any defective work.

Making a claim

To make a claim there must be a “trigger event”. These are limited to your builder or contractor either becoming insolvent, dying, disappears, or having their building licence suspended due to non-compliance with a money order made by NCAT or a Court in your favour.

We encourage you to make a claim as soon as you become aware of one of these trigger events. Failure to notify and claim in accordance with the policy may mean that your claim is not accepted.

Things to look out for

- project delays without asking for an extension of time
- going outside of the contract period
- difficulties getting the builder on site
- the builder demanding progress payments without finishing the work or outside of the contract
- attempting to carry out defective work or work not agreed under the contract, etc.
- asking you to pay subcontractors direct when that was not what was originally agreed.