

Media Statement

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Hon Gail Gago
Minister for State/Local Government
Relations
Minister for the Status of Women
Minister for Consumer Affairs
Minister for Government Enterprises
Minister for the City of Adelaide

Tuesday, 29 June 2010

BUILDERS INDEMNITY INSURANCE AGREEMENT SIGNED

An in-principle agreement has been reached with QBE Insurance Australia Limited and Calliden Insurance Limited to ensure Builders Indemnity Insurance will continue to be available in South Australia.

Consumer Affairs Minister, Gail Gago, said, “Currently in South Australia, any work carried out in connection with a building work contract costing \$12,000 or more, that requires Local Council approval, must be covered by a Building Indemnity Insurance policy.

“The policy covers loss or damage resulting from non-completion of the work, loss of deposit or breach of statutory warranty if the homeowner cannot recover compensation from the builder because of their death, disappearance or insolvency,” Ms Gago said.

Earlier this year, Vero Insurance Group announced it would no longer write Builders Indemnity Insurance after 30 June 2010. Vero’s decision followed the withdrawal of CGU Insurance and Lumley Insurance from the Builders Indemnity insurance market late last year.

“I am pleased to be able to report that the South Australian Government has reached an in principle agreement with QBE and Calliden to help manage the transition of builders insured with Vero”.

“This will ensure builders, who were customers of Vero, will continue to have cover after 30 June 2010.”

“QBE and Calliden will then undertake a formal assessment of each Vero client over the next 12 months,” Ms Gago said.