

Insurer standard licence conditions

Home building compensation
regulation

January 2018

Home building compensation insurer licence

Issued pursuant to Division 1 of Part 6C of the *Home Building Act 1989*.

This licence is granted to [Click here to enter text.](#) (ABN) [Click here to enter text.](#) (the Licensee) for 20 years commencing at 4.00 pm on [Click here to enter text.](#) (date DD/MM/YYYY) and ending at 4.00 pm on [Click here to enter text.](#) (date DD/MM/YYYY).

This licence is subject to:

- the conditions prescribed now and in the future by the Act and any regulations, and
- the following additional standard [and special] conditions.

Definitions

In these licence conditions:

- **Act** refers to the *Home Building Act 1989*
- **APRA** refers to the Australian Prudential Regulation Authority
- **ASIC** refers to the Australian Securities & Investments Commission
- **Authority** refers to the State Insurance Regulatory Authority and any successor
- **Business day** refers to days from Monday through to Friday excluding public holidays
- **Insurance Guidelines** refers to Insurance Guidelines issued and published by SIRA under Division 4 of Part 6 of the Act

References to legislation other than the Act include any amendments made from time to time.

Conditions imposed by statute

1. The Licensee must comply with the conditions of the licence prescribed by the Act and any regulations made under the Act.

Additional standard conditions

2. Conduct

2.1 The Licensee must:

- (i) do all things necessary to ensure that its home building compensation business is conducted efficiently, honestly and fairly
- (ii) observe proper standards of market conduct
- (iii) pay due regard to the interests of its customers and treat them fairly

- (iv) pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading, and
- (v) manage conflicts of interest fairly, both between itself and its customers and between a customer and another client.

2.2 The Licensee must not engage in conduct that is misleading or deceptive, or likely to mislead or deceive.

2.3 The Licensee must act towards insureds and beneficiaries, in respect of any matter arising under or in relation to the insurance policy, with the utmost good faith. If reliance by the Licensee on a provision of the policy would be to fail to act with the utmost good faith, the Licensee may not rely on the provision.

3. Compliance with laws

The Licensee must establish and maintain compliance measures to ensure that it complies at all times with its obligations under the Act and the regulations and Insurance Guidelines made under it.

4. Home building compensation business data

4.1 If requested by the Authority in a notice issued under this condition 4.1, the Licensee must give to the Authority: data, reports and information relating to the Licensee's home building compensation business that are in the possession, custody or control of the Licensee:

- (vi) as specified in the notice or any subsequent updates to the notice issued by the Authority, and
- (vii) at such intervals as may be specified in the notice, and otherwise when required by the notice, or any subsequent updates to the notice issued by the Authority.

4.2 If the Licensee becomes aware (whether in correspondence with the Authority or otherwise) that data, reports or information given to the Authority under condition 4.1 was not complete, accurate and up-to-date on the date it was so given, the Licensee must:

- (i) immediately notify the Authority, and
- (ii) provide complete, accurate and up-to-date data, reports or information within seven days of becoming so aware or within such other time period specified by the Authority for the purposes of this condition 4.1.

4.3 A notice issued under the condition 4.1 (or any subsequent update to the notice issued by the Authority) may specify intervals ongoing for an indefinite period.

5. Self-audits

5.1 Eligibility determination self-audits: The Licensee must provide to the Authority its eligibility determination self-audit results within a timeframe and in accordance with the requirements established and published by the Authority.

5.2 Claims management self-audits: The Licensee must provide to the Authority its claims management performance self-audit results within a timeframe and in accordance with requirements established and published by the Authority.

5.3 Data quality self-audits: The Licensee must provide to the Authority data quality self-audit results within a timeframe and in accordance with requirements established and published by the Authority.

6. Notifications

6.1 Control and ownership: The Licensee must notify the Authority in writing within 10 business days of any change or proposed change in the shareholding, control or ownership of the Licensee. In such an event the continuity of the licence will be subject to review by the Authority.

6.2 Significant matters: The Licensee must formally notify the Authority of a significant matter within the timeframes and in accordance with requirements established and published by the Authority.

7. Information sharing

7.1 The Licensee must continue to provide authority for information sharing between the Authority and APRA and between the Authority and ASIC pertaining to the Licensee's home building compensation business.

8. Ceasing to be a licensed insurer

8.1 The Licensee must provide at least three months formal notice to SIRA if it elects to cease providing a contract of cover underwriting new home building compensation policies.

End of standard licence conditions

Specific licence conditions

(if required to mitigate individual insurer risks)

Disclaimer

This publication may contain information that relates to the regulation of workers compensation insurance, motor accident third party (CTP) insurance and home building compensation in NSW. It may include details of some of your obligations under the various schemes that the State Insurance Regulatory Authority (SIRA) administers.

However to ensure you comply with your legal obligations you must refer to the appropriate legislation as currently in force. Up to date legislation can be found at the NSW Legislation website legislation.nsw.gov.au

This publication does not represent a comprehensive statement of the law as it applies to particular problems or to individuals, or as a substitute for legal advice. You should seek independent legal advice if you need assistance on the application of the law to your situation.

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