

NSW Home Warranty Insurance Scheme

Information on the Scheme as at

30 September 2009



31 March 2010

NSW Fair Trading
Department of Services, Technology and Administration
McKell Building, 2-24 Rawson Place
SYDNEY NSW 2000

Dear Sirs

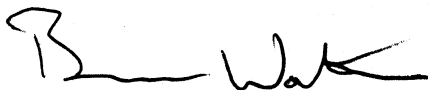
HWI Scheme Data as at 30 September 2009

Finity Consulting Pty Limited (Finity) was engaged by NSW Fair Trading to review the publication of data for the Home Warranty Insurance (HWI) Scheme.

Finity has reviewed the descriptions of the data and the presentation of tables and graphs to make sure the data is presented fairly and is not likely to be misinterpreted. Note that Finity has not reviewed the accuracy of the data provided by the insurers nor the accuracy of the summary tables prepared by Fair Trading, but, where possible, has considered them for reasonableness.

We particularly draw the attention of the reader to Section 2 of the publication – Caution in Interpreting the Information.

Yours sincerely



Bruce Watson



David Minty

Fellows of the Institute of Actuaries of Australia



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HWI SCHEME INFORMATION

1 PREAMBLE

The *Home Building Act 1989* establishes a home warranty insurance (HWI) scheme. The scheme involves approved private insurers and provides protection for consumers where builders fail to complete residential building work or rectify defects.

NSW Fair Trading, within the Department of Services, Technology and Administration, has certain regulatory responsibilities in relation to home warranty insurance. One of the roles of Fair Trading is to collect data from insurers offering HWI to enable monitoring of the financial progress of the scheme.

In New South Wales, HWI may only be offered by insurers approved by the Minister under the Act. As at 30 September 2009, there were five groups of licensed insurers approved to offer HWI in New South Wales. In July 2009 two insurers (**CGU Insurance** Limited and Wesfarmers General Insurance Limited, trading as **Lumley General**), announced they were withdrawing from the home warranty insurance market. These two insurers, which then accounted for about a quarter of the market in terms of builder eligibilities and written premium, have now ceased writing new home warranty insurance policies from 1 December 2009 and 1 January 2010 respectively.

Since September 2005 insurers in the HWI scheme have been providing data on a quarterly basis to Fair Trading. The following information on the operation of the scheme applies only to the version of the scheme in operation since 1 July 2002 which from that date made it clear that the protection offered applied only in the event of the death, disappearance or insolvency of a builder.

This publication summarises the data that has been provided since June 2006 for the insurance period 1 July 2002 to 30 September 2009. The information provided has been aggregated across insurers. Data provided by individual insurers is commercially confidential and has not been disclosed.

New home warranty insurance arrangements

On 8 November 2009, the Government announced that a new Home Warranty Insurance Scheme will commence in New South Wales on 1 July 2010. The change involves the Government underwriting and capitalising the Home Warranty Insurance Scheme, which will be fully funded by premiums. For further details, refer Fair Trading's website:

http://www.fairtrading.nsw.gov.au/About_us/News_and_events/Whats_new/New_home_warranty_insurance_arrangements.html

2 CAUTION IN INTERPRETING THE INFORMATION

The current version of the HWI scheme is at an early stage of evolution. As a result, considerable caution is required when interpreting the information provided in this publication.

HWI is a 'long tail' class of insurance business, which means:

- there may be significant delay between the date a project certificate is issued and the commencement of the project;
- the duration of building projects may range from a few weeks to several years;
- coverage remains in place for six years after project completion; and
- it may take some time for home owners to identify a loss, lodge a claim with an insurer and for the insurer to assess the claim and arrange rectification.

Therefore, care must be taken in basing conclusions on trends that have emerged to date. The data in this publication relates only to project certificates issued from 1 July 2002 and to claims that have been notified to date on those certificates. **It does NOT include claims that have not yet been reported to insurers on those certificates or any provisions made by insurers in their accounts for the cost of unreported claims or cost escalation on reported claims.** Experience with the former Government administered schemes showed that claims may be lodged with insurers as long as ten years after the issue of HWI

It is only possible to make an assessment of the financial performance of the HWI scheme by comparing premiums collected with all the relevant costs of insurers over the full life of the HWI cover. At this time, there is insufficient information to make such an assessment although useful information will emerge as the business matures.

Claims experience of HWI can vary greatly from year to year depending on economic conditions in both the home building market and in the community generally. The nature of insurance is also that there are good years and bad years depending on the state of the insurance cycle and the degree of competition in the insurance market both in Australia and globally. For the first few years after the new HWI scheme commenced, the NSW economy performed reasonably well, and conditions were generally favourable for home builders.

As over 90% of home warranty claims arise from the insolvency of the builder, the downturn in the economy in 2008 drove a significant increase in claims on the scheme as even some larger builders have been subject to material financial stress. Poor business decisions are also more likely to convert into business failure if additional financing is unexpectedly required when lending or investing conditions are tight. Any serious assessment of the scheme should place substantial weight not only on the long tail nature of the scheme, but also that different economic circumstances can yield significantly different claims results.

3 DATA

Part I Information Related only to Licensed Builders

A Eligibility Information

Under the HWI scheme, licensed builders may apply to an insurer of their choice for HWI eligibility. Eligibility is a form of pre-approval for the issue of HWI project certificates. Eligibility for HWI does not apply to owner-builders.

A.1 Builder eligibilities

Table A1 shows the number of builder eligibilities at the end of each quarter by turnover band. It excludes builders with eligibility pending, but includes builders who may have eligibility with more than one insurer at the time of reporting. Turnover refers to the total annual turnover for which the builder has eligibility from the insurer at the end of the quarter for all types of cover.

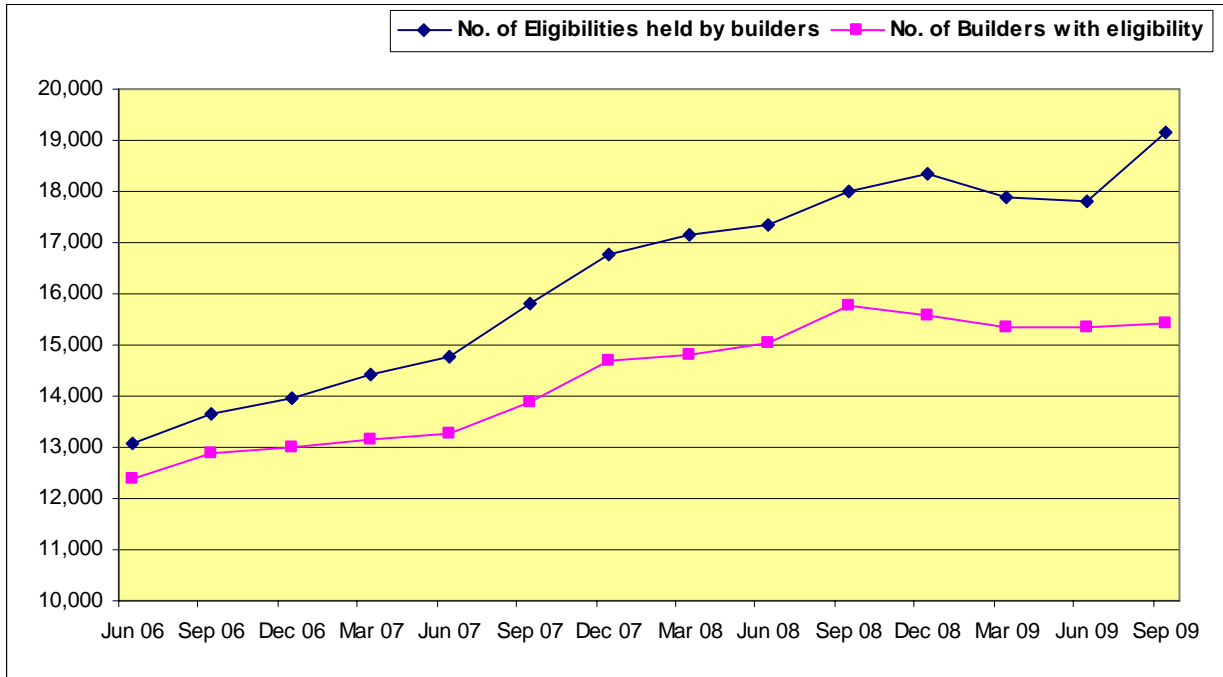
Table A1 Number of builder eligibilities by turnover band

Turnover band (\$' m)	\$0 - <0.5m	\$0.5 - <1m	\$1 - <2m	\$2 - <3m	\$3 - <5m	\$5 - <20m	\$20+m	Change in Turnover Requested	unlimited	Totals
Jun 06	1,034	1,256	4,356	4,305	855	728	113	135	303	13,085
Sep 06	1,174	1,399	4,527	4,450	821	699	107	139	340	13,656
Dec 06	1,292	1,426	4,576	4,469	879	702	105	141	378	13,968
Mar 07	1,364	1,498	4,528	4,451	1,156	755	108	145	413	14,418
Jun 07	1,299	1,405	4,126	3,977	2,581	769	108	135	377	14,777
Sept 07	1,526	1,528	4,356	4,010	2,980	832	122	11	425	15,790
Dec 07	1,708	1,668	4,561	4,168	3,166	904	117	3	487	16,782
Mar 08	1,738	1,718	4,651	4,160	3,383	911	131	59	408	17,159
Jun 08	2,081	1,777	4,528	4,024	3,499	903	134	107	286	17,339
Sep 08	2,103	1,852	4,680	3,817	3,922	1,052	140	11	433	18,010
Dec 08	2,142	1,948	4,743	4,072	3,921	925	145	3	452	18,351
Mar 09	2,227	1,915	4,677	3,852	3,892	818	125	2	373	17,881
Jun 09	2,225	1,983	4,768	3,788	3,860	780	122	2	298	17,826
Sep 09	2,381	2,219	5,477	3,882	3,952	799	126	16	286	19,138

Most licensed builders have eligibility for annual turnover within the \$1 million to \$5 million bands.

As at 30 September 2009, 3,490 builders (or 22.6% of the total 15,424 eligible builders) had established eligibility for cover with two or more insurers. The proportion last quarter was 15.5%. It appears that the increase in the number of builder eligibilities and in multiple eligibility is largely due to existing builders insured by CGU and Lumley obtaining alternative eligibility with the remaining insurers, before the then impending withdrawal of CGU and Lumley from the market.

Figure A1 - Trend in: a) number of licensed builders with eligibility, and b) number of current eligibilities held by licensed builders, as at end of each quarter



B Securities and Indemnities Information

In some circumstances an insurer may require a security or indemnity of some form before granting eligibility to a builder. The most common form of security is an indemnity (usually provided by an individual director or other third party) and/or a bank guarantee. The information on securities does not include owner-builders.

B.1 Number and type of securities held by insurers

Table B1 Number of Securities and Indemnities – current as at end of each quarter

Quarter	Bank Guarantee	Indemnity	Multiple Securities	Other Security	Totals	% of Total Builder Eligibility
Dec 06	221	1,212	68	2	1,503	10.8%
Mar 07	227	1,262	76	4	1,569	10.9%
Jun 07	209	1,312	123	4	1,648	11.2%
Sept 07	227	1,380	133	4	1,744	11.0%
Dec 07	229	1,354	132	4	1,719	10.2%
Mar 08	207	1,461	144	2	1,814	10.6%
Jun 08	139	1,381	120	1	1,641	9.5%
Sep 08	144	1,372	112	1	1,629	9.0%
Dec 08	135	1,405	117	1	1,658	9.0%
Mar 09	154	1,126	58	1	1,339	7.5%
Jun 09	155	1,118	59	1	1,333	7.5%
Sep 09	150	1,254	56	1	1,461	7.6%

As at 30 September 2009, 7.6% of builder eligibilities were subject to some form of security being in place. Looked at another way, over 90% of builders receive eligibility for insurance cover without having to provide any form of security to the insurer.

B.2 Dollar value of securities held by insurers

Table B2 Value of Securities and Indemnities (\$'000) - current as at end of each quarter

Quarter	Bank Guarantee	Indemnity *	Multiple Securities#	Other Security	Totals
Dec 06	26,519	N/A	10,643	15	37,177
Mar 07	28,935	N/A	10,968	19	39,922
Jun 07	24,739	N/A	14,582	122	39,443
Sep 07	26,740	N/A	16,679	122	43,541
Dec 07	26,077	N/A	16,614	109	42,800
Mar 08	23,749	N/A	18,469	14	42,232
Jun 08	16,718	N/A	15,832	14	32,564
Sep 08	14,799	N/A	10,957	14	25,770
Dec 08	16,909	N/A	12,363	14	29,286
Mar 09	20,332	N/A	8,457	14	28,803
Jun 09	21,222	N/A	8,297	14	29,533
Sep 09	20,037	N/A	8,297	14	28,348

* No value is required to be placed on an indemnity.

Identifies those builders with more than one form of security, such as a bank guarantee, a group trading agreement (involving associated companies) and/or an indemnity.

B.3 Average value of securities and indemnities over the period

Table B3. Average Value of Securities and Indemnities (\$'000)

Quarter	Bank Guarantee	Indemnity *	Multiple Securities	Other Security
Dec 06	120	N/A	157	8
Mar 07	127	N/A	144	5
Jun 07	118	N/A	119	30
Sep 07	118	N/A	125	31
Dec 07	114	N/A	126	27
Mar 08	115	N/A	128	7
Jun 08	120	N/A	132	14
Sep 08	103	N/A	98	14
Dec 08	125	N/A	106	14
Mar 09	132	N/A	146	14
Jun 09	137	N/A	141	14
Sep 09	134	N/A	148	14

* No value is required to be placed on an indemnity.

C Project Certificate Information – Builder

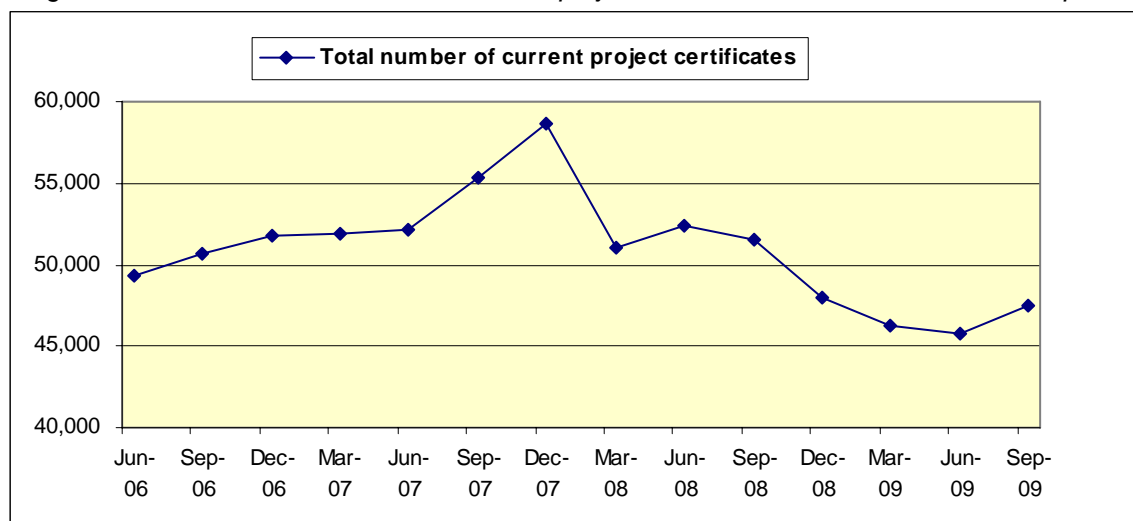
Generally an insurer issues a project certificate in relation to a project prior to building commencement. The project certificate is evidence of the HWI contract.

Insurers report to Fair Trading the number of project certificates issued during each quarter and the number of project certificates for projects still in progress (current) at the end of the quarter. This latter figure involves some degree of estimation as insurers are not necessarily advised by builders on whether all individual projects are complete or still in progress.

C.1 Current project certificates - Builder

Figure C1 shows the trend in the total number of current project certificates for “work in progress” as at the end of each quarter as reported by insurers. These figures do not include owner builder projects.

Figure C1 Trend in total number of current project certificates - as at the end of each quarter



Note: Since December 2007, insurers have been instructed to assume that a project has been completed 12 months after certificate issue unless they know its status to be uncompleted. The decrease in number of current project certificates as at 31 March 2008 was mainly due to overcoming a backlog of lapsed/deemed completed project certificates from preceding quarters. The data for December 2007 and earlier quarters is therefore overstated as it includes projects that should have been deemed completed.

C.2 New project certificates issued - Builder

Tables C1, C2 and figure C2.1 show the number and value of new project certificates issued during the quarter, reduced by the number (or value) of project certificates cancelled in the quarter. A cancellation occurs when a project certificate is terminated because the project did not commence. If a project certificate applies to more than one type of cover, then it is classified under the type of cover that represents the greatest value under the contract.

Table C1. Number of project certificates issued by type of cover

Quarter /Type of cover	New single dwelling construction	New multi dwelling (greater than 3 storeys) *	New multi dwelling (3 storeys or less) *	Alterations /Additions #	Swimming Pools	Renovations (including kitchens and bathrooms) ^	Other	Totals
Jun 06	4,089	41	1,439	3,402	1,703	2,995	211	13,880
Sep 06	3,961	0	1,719	3,677	1,632	3,027	283	14,299
Dec 06	3,548	33	1,331	3,104	1,407	2,664	350	12,437
Mar 07	3,453	24	1,348	3,369	1,161	2,580	240	12,175
Jun 07	4,016	0	1,280	3,738	1,254	2,715	222	13,225
Sept 07	4,227	0	1,358	4,129	1,383	3,760	165	15,022
Dec 07	4,222	0	1,249	3,834	1,580	3,488	234	14,607
Mar 08	3,702	0	970	4,030	1,043	3,551	207	13,503
Jun 08	3,881	0	983	4,221	1,019	3,881	253	14,238
Sep 08	3,529	0	1,204	4,307	1,090	3,725	165	14,020
Dec 08	3,020	0	762	3,167	921	3,017	175	11,062
Mar 09	3,008	0	884	3,222	933	2,928	267	11,242
Jun 09	4,206	0	700	3,630	830	3,821	304	13,491
Sep 09	4,965	0	852	4,114	1,321	3,707	238	15,197

- * A project certificate is issued for each unit in a multi-unit development.
- # Alterations and additions - structural (i.e. the majority of the work is structural).
- ^ Renovations - non-structural (i.e. the majority of the contract is non structural), including e.g. kitchen/bathroom renovations and trade work.

More than half of the project certificates issued in September 2009 were for alterations (27%) and renovations (24%). 38% of certificates were issued for new single and multi-unit dwellings.

The number of certificates issued in the September quarter is up 13% compared with the June quarter, and continued the upward trend from the low point of December 2008. Over the 12 months to September 2009, 50,992 certificates were issued compared to 56,368 in the previous 12 months, a decrease of 9.5%.

Figure C2.1 Total Number of project certificates issued during each quarter

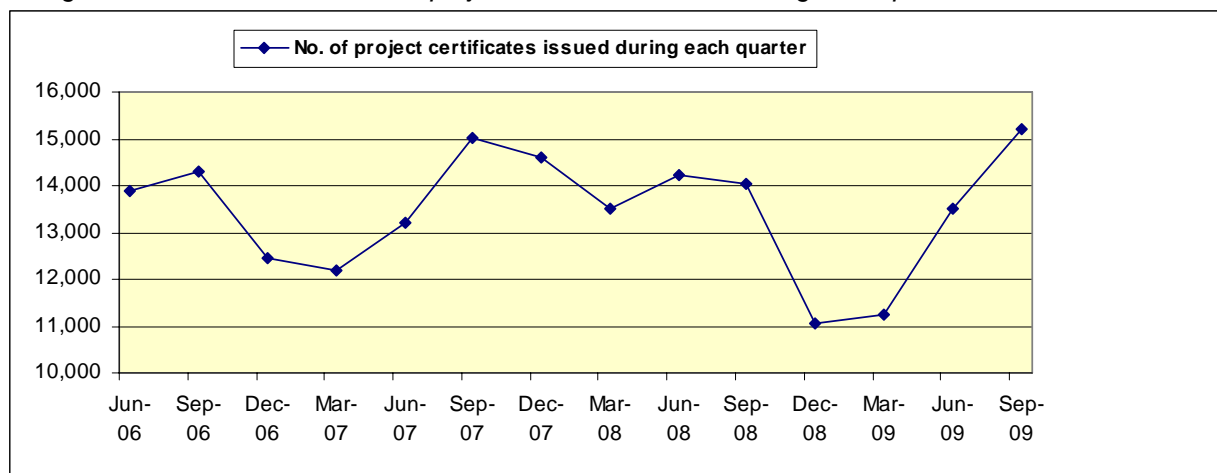


Table C2. Value of project certificates issued by type of cover during each quarter – (\$'million)

Quarter /Type of cover	New single dwelling construction	New multi dwelling (greater than 3 storeys) *	New multi dwelling (3 storeys or less) *	Alterations /Additions #	Swimming Pools	Renovations (including kitchens and bathrooms) ^	Other	Totals (\$'million)	Average Value per Project Certificate (\$'000)
Jun 06	1,068	9	270	621	58	126	23	2,175	157
Sep 06	1,058	0	323	451	55	113	26	2,026	142
Dec 06	941	10	263	344	45	80	29	1,712	138
Mar 07	1,000	2	245	427	41	89	24	1,828	150
Jun 07	1,118	0	264	455	47	93	22	1,999	151
Sept 07	1,170	0	242	471	53	133	20	2,089	139
Dec 07	1,189	0	256	412	53	113	22	2,045	140
Mar 08	1,059	0	187	437	38	113	18	1,852	137
Jun 08	1,123	0	207	470	41	135	22	1,998	140
Sep 08	1,023	0	203	454	40	132	14	1,866	133
Dec 08	903	0	158	334	34	96	17	1,542	139
Mar 09	850	0	163	361	33	92	19	1,518	135
Jun 09	1,166	0	123	414	33	119	22	1,877	139
Sep 09	1,355	0	155	483	50	118	19	2,180	143

- * A project certificate is issued for each unit in a multi-unit development.
- # Alterations and additions - structural (i.e. the majority of the work is structural)
- ^ Renovations - non-structural (i.e. the majority of the contract is non structural), including e.g. kitchen/bathroom renovations and trade work.

C.3. Building approvals versus new project certificates issued– Builder and Owner-Builder

The following figures and Table C3 compare new project certificates issued with building approvals for new dwellings granted based on Australian Bureau of Statistics (ABS) data collected from NSW local government authorities. The ABS data does not distinguish between builders and owner-builders so we have combined them for this part of the analysis.

Figures C3.1 and C3.2 show the detailed comparisons for numbers and values respectively of new dwellings and project certificates. Numbers have begun to track more closely in recent quarters.

Both certificates and building approvals achieved their highest levels in the last three years in the September quarter measured by both numbers and values.

The December 2009 quarter building approvals from the Australian Bureau of Statistics show a further increase of the order of 10% in value and 7% in numbers of new dwellings. This increase would be expected to flow through into project certificates issued in December 2009 when that data becomes available.

Table C3. Building approvals versus project certificates issued

Quarter	All new dwellings of three storeys or less			All new dwellings of three storeys or less		
	Certificates issued	Building approvals	Ratio	Value of certificates issued	Value of building approvals	Ratio
				\$m	\$m	
Jun-07	5,296	6,013	88%	1,382	1,425	97%
Sep-07	5,585	6,219	90%	1,412	1,425	99%
Dec-07	5,471	6,237	88%	1,445	1,456	99%
Mar-08	4,672	5,229	89%	1,246	1,290	97%
Jun-08	4,864	6,043	80%	1,330	1,464	91%
Sep-08	4,733	5,441	87%	1,226	1,375	89%
Dec-08	3,782	4,503	84%	1,061	1,135	93%
Mar-09	3,892	3,960	98%	1,013	988	103%
Jun-09	4,906	4,852	101%	1,289	1,195	108%
Sep-09	5,817	6,252	93%	1,510	1,522	99%
Dec-09		6,715			1,684	

Notes: ABS 8731.0 Building Approvals, Australia; TABLE 22.
"Dwelling Units Approved in New Residential Buildings - New South Wales"

Figure C3.1 Numbers of building approvals versus certificates issued - Trend

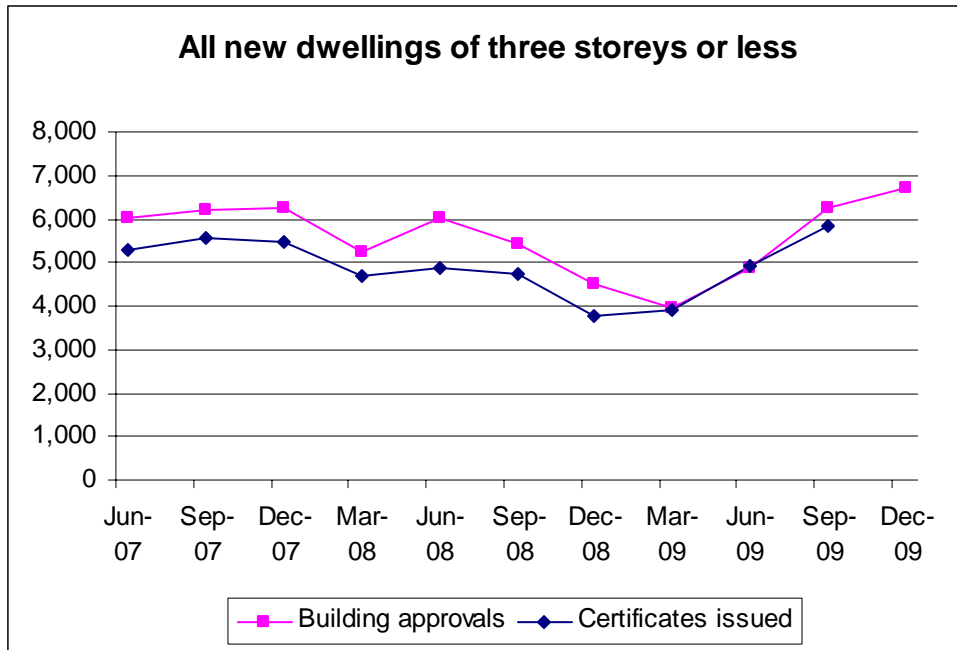
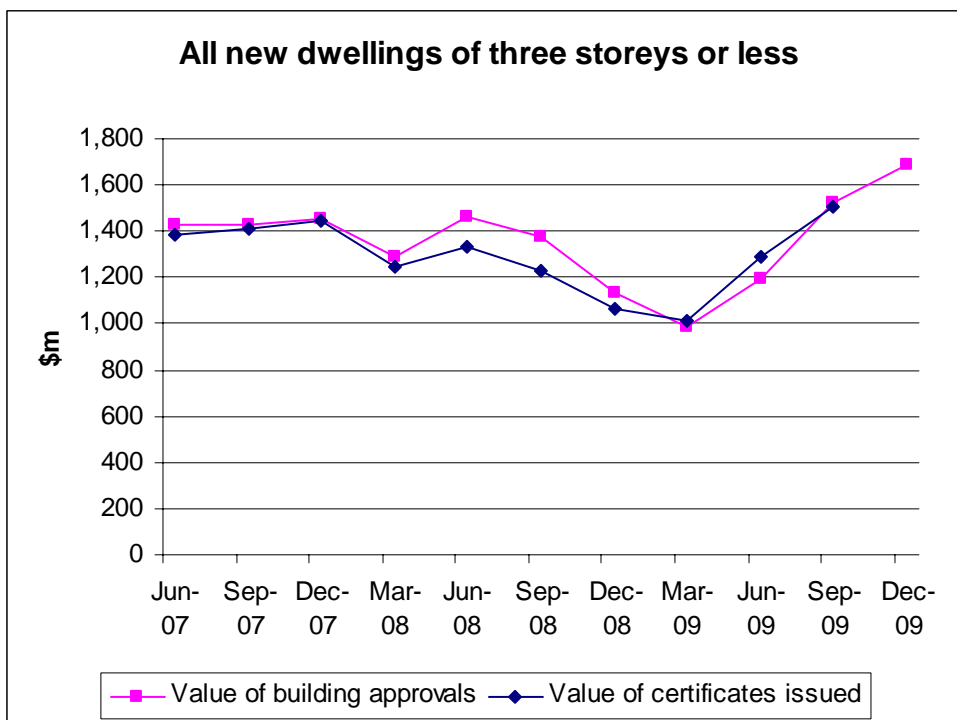


Figure C3.2 Value of building approvals versus certificates issued - Trend



The above graph indicates a high degree of compliance with obtaining HWI cover in respect of new residential building work to which the legislation applies. The trend in project certificates data reported by insurers is reasonably consistent with that of the new building approvals data collected by ABS from NSW local government authorities.

D Premium Information - Builder

Insurers provide information to Fair Trading on the premium charged for project certificates issued to builders during the quarter. For the reports below, premium is shown on two bases: including charges and excluding charges. "Charges" refer to all commissions, government and other charges (i.e. GST, stamp duty, government levies and credit card surcharges) as reported by insurers to Fair Trading.

Premium excluding charges is the amount retained by the insurer to pay claims and the insurer's expenses.

Premium including charges is intended to represent the amount paid by the builder including statutory charges such as GST. However, it excludes any fees charged by brokers or intermediaries in addition to the insurer's premium. Based on information received from insurers, such brokerage fees are understood generally to be a flat dollar amount per certificate ranging from \$50 to \$400 depending on the volume of business of a particular broker with a particular builder. Any margin added by the builder in on-charging the premium to consumers also is not captured in the insurers' data and is therefore not reported in the figures below.

D.1 Total premiums by project type - Builder

Table D1.1 Written premium for project certificates issued (**including charges**) - (\$'000)

Quarter /Type of cover	New single dwelling construction	New multi dwelling (greater than 3 storeys) *	New multi dwelling (3 storeys or less) *	Alterations /Additions#	Swimming Pools	Renovations (including kitchens and bathrooms) ^	Other	Totals (\$'000)
Jun 06	5,313	66	1,756	4,424	1,072	1,073	195	13,899
Sept 06	4,880	0	2,048	4,587	1,003	1,044	237	13,799
Dec 06	4,276	58	1,546	3,559	820	870	275	11,404
Mar 07	4,206	22	1,466	3,740	653	858	194	11,139
Jun 07	4,611	0	1,649	3,917	736	914	189	12,016
Sept 07	4,334	0	1,332	3,756	698	1,094	133	11,347
Dec 07	4,309	0	1,265	3,377	775	1,042	172	10,940
Mar 08	3,810	0	1,032	3,301	518	970	136	9,767
Jun 08	3,809	0	923	3,456	525	1,076	166	9,955
Sep 08	3,501	0	1,140	3,571	553	1,029	122	9,916
Dec 08	3,153	0	875	2,588	458	833	126	8,033
Mar 09	3,049	0	859	2,721	430	776	156	7,991
Jun 09	4,738	0	834	3,403	438	1,020	181	10,614
Sep 09	6,060	0	1,492	4,187	707	1,037	198	13,681

Table D1.2 Written premium for project certificates issued (excluding charges) - (\$'000)

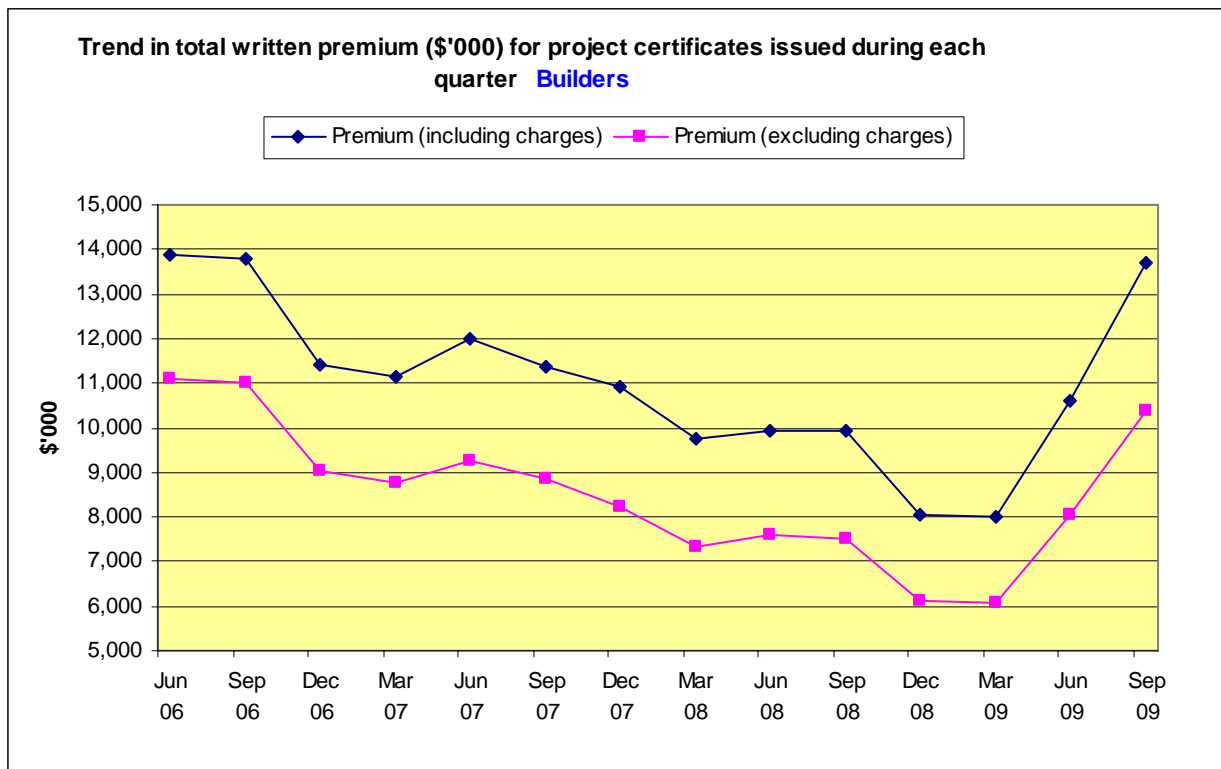
Quarter /Type of cover	New single dwelling construction	New multi dwelling (greater than 3 storeys) *	New multi dwelling (3 storeys or less) *	Alterations /Additions#	Swimming Pools	Renovations (including kitchens and bathrooms) ^	Other	Totals (\$'000)
Jun 06	4,296	39	1,372	3,598	800	833	152	11,090
Sept 06	3,939	0	1,586	3,721	745	819	183	10,993
Dec 06	3,422	34	1,211	2,863	605	677	211	9,023
Mar 07	3,355	12	1,133	2,983	477	668	149	8,777
Jun 07	3,577	0	1,248	3,063	537	691	149	9,265
Sept 07	3,376	0	1,044	2,946	534	858	109	8,867
Dec 07	3,284	0	955	2,573	533	768	131	8,244
Mar 08	2,879	0	768	2,514	360	717	99	7,337
Jun 08	2,936	0	703	2,650	380	797	123	7,589
Sep 08	2,694	0	820	2,736	395	761	87	7,493
Dec 08	2,424	0	668	1,982	328	612	94	6,108
Mar 09	2,347	0	661	2,075	317	575	118	6,093
Jun 09	3,629	0	632	2,596	319	753	141	8,070
Sep 09	4,665	0	1,120	3,184	519	759	155	10,402

* A project certificate is issued for each unit in a multi-unit development.

Alterations and additions - structural (i.e. the majority of the work is structural)

^ Renovations - non-structural (i.e. the majority of the contract is non structural), including e.g. kitchen/bathroom renovations and trade work.

Figure D1.1 Trend in written premiums for project certificates issued during each quarter



D.2 Average premium per project certificate - Builder

Table D2.1 Average Premium (including charges) per Project Certificate Issued by Type of Cover – (\$)

Quarter /Type of cover	New single dwelling construction	New multi dwelling (greater than 3 storeys) *	New multi dwelling (3 storeys or less) *	Alterations /Additions#	Swimming Pools	Renovations (including kitchens and bathrooms) ^	Other	Average per certificate issued \$
Jun 06	1,299	1,610	1,220	1,300	629	358	924	1,001
Sept 06	1,232	0	1,191	1,247	615	345	837	965
Dec 06	1,205	1,758	1,162	1,147	583	327	786	917
Mar 07	1,218	917	1,088	1,110	562	333	808	915
Jun 07	1,148	0	1,288	1,048	587	337	851	909
Sept 07	1,025	0	981	910	505	291	806	755
Dec 07	1,021	0	1,013	881	491	299	735	749
Mar 08	1,029	0	1,048	819	497	273	657	723
Jun 08	981	0	939	819	516	277	657	699
Sep 08	992	0	947	829	507	276	740	707
Dec 08	1,044	0	1,148	817	497	276	722	726
Mar 09	1,014	0	972	845	461	265	583	711
Jun 09	1,126	0	1,192	937	528	267	597	787
Sep 09	1,221	0	1,751	1,018	535	280	834	900

Table D2.2 Average Premium (including charges) per \$1,000 of Value of Project Certificates issued by Insurer

Quarter /Type of cover	New single dwelling construction	New multi dwelling (greater than 3 storeys) *	New multi dwelling (less than or equal 3 storeys) *	Alterations/ Additions #	Swimming Pools	Renovations (including kitchens and bathrooms) ^	Other	Average rate per \$1,000 project value \$
Jun 06	4.97	7.33	6.50	7.12	18.48	8.52	8.48	6.39
Sept 06	4.60	0	6.34	10.17	18.24	9.24	9.12	6.81
Dec 06	4.54	5.80	5.88	10.35	18.22	10.88	9.48	6.66
Mar 07	4.21	11.00	5.98	8.76	15.93	9.64	8.08	6.09
Jun 07	4.12	0	6.25	8.61	15.66	9.83	8.59	6.01
Sept 07	3.70	0	5.50	7.97	13.17	8.23	6.65	5.43
Dec 07	3.62	0	4.94	8.20	14.62	9.22	7.82	5.35
Mar 08	3.60	0	5.52	7.56	13.63	8.51	7.56	5.27
Jun 08	3.39	0	4.47	7.35	12.94	7.97	7.47	4.98
Sep 08	3.42	0	5.62	7.87	13.31	7.82	8.70	5.31
Dec 08	3.49	0	5.55	7.74	13.47	8.69	7.63	5.21
Mar 09	3.59	0	5.28	7.55	12.96	8.41	8.12	5.26
Jun 09	4.06	N/A	6.79	8.21	13.26	8.58	8.14	5.65
Sep 09	4.47	N/A	9.61	8.67	14.21	8.80	10.29	6.28

* A project certificate is issued for each unit in a multi-unit development.

Alterations and additions - structural (i.e. the majority of the work is structural)

^ Renovations - non-structural (i.e. the majority of the contract is non structural), including e.g. kitchen/bathroom renovations and trade work.

Average premiums **per \$1,000 value** of certificate issued (Table D2.2) fell fairly consistently from September 2006 to June 2008 by about 27%. From June 2008 to September 2009, the average premiums have increased 26% across all types of construction. Average rates are still lower than in 2006.

E Claims information - Builder

The handling and management of claims by insurers is subject to *Claims Handling Guidelines* that are available on the Fair Trading website. Fair Trading is provided with data at the end of each quarter of all claims received by insurers in respect of HWI business issued after 1 July 2002.

The information set out below provides only a partial picture of HWI Scheme activity. Therefore, care must be taken in basing conclusions on trends that have emerged to date. The data in this publication relates only to project certificates issued from 1 July 2002 and to claims that have been notified to date on those certificates. **It does NOT include claims that have not yet been reported to insurers on those certificates or any provisions made by insurers in their accounts for the cost of unreported claims or cost escalation on reported claims.** Also, it does not include any information on claims arising from project certificates issued prior to 1 July 2002, even though claims relating to prior years continue to be reported and settled in the post 1 July 2002 period.

E.1 Number of claims by liability assessment status - Builder

Table E1 Cumulative Number of Claims by Liability Status at each quarter end

Quarter	Notification only #	Liability being assessed	Liability fully, partially or deemed accepted	Liability fully denied	Liability in dispute	Total
Jun 06	193	151	177	117	0	638
Sep 06	218	153	203	129	0	703
Dec 06	230	49	275	136	60	750
Mar 07	249	42	314	150	61	816
Jun 07	274	61	350	174	62	921
Sept 07	295	64	434	186	66	1,045
Dec 07	312	104	491	206	62	1,175
Mar 08	362	154	528	223	76	1,343
Jun 08	802	280	667	245	12	^ 2,006
Sep 08	660	323	1,048	277	15	2,323
Dec 08	791	279	1,222	305	29	2,626
Mar 09	970	261	1,339	333	25	2,928
Jun 09	1,004	217	1,531	356	29	3,137
Sep 09	1,110	228	1,642	393	34	3,407

^ The significant increase in the total number of claims in the June 2008 quarter was largely driven by the Beechwood Homes collapse in May 2008. As at September 2009, about 20% of the claims reported to date under the scheme relate to the Beechwood Homes collapse.

If a 'Notification' has not become a claim after an extended period, its status is recorded as 'Finalised' within the 'Notification' category. As at 30 September 2009, there were 809 such 'Notifications' which have been recorded as 'Finalised', including 151 relating to Beechwood.

E.2 Reasons claims denied - Builder

Table E2. Number of claims with liability fully denied - breakdown by Reason Claim Declined – cumulative at end of each quarter

Quarter	Out of time	Builder found	Builder not dead	Builder not insolvent	Not deemed a defect	Reason not available from insurer #	Total
Jun 06	16	3		20	29	49	117
Sep 06	17	6		26	28	52	129
Dec 06	17	6		29	33	51	136
Mar 07	17	20		35	41	37	150
Jun 07	35	22		38	42	37	174
Sept 07	37	24		41	47	37	186
Dec 07	38	29	1	51	50	37	206
Mar 08	40	30	1	60	92	0	223
Jun 08	40	34	1	64	106	0	245
Sep 08	46	36	1	68	126	0	277
Dec 08	49	42	1	88	125	0	305
Mar 09	32	50	1	114	136	0	333
Jun 09	32	54	1	114	155	0	356
Sep 09	35	59	2	121	176	0	393

refers to claims declined by an insurer prior to the commencement of the data reporting requirements where the reason for the claim being declined was not reported in the insurer's systems. By 31 March 2008, insurers had identified the cause of all declined claims.

E.3 Claims experience - Builder

The remaining tables in this section show a further breakdown of the claims that have been accepted in respect of builders (not owner-builders) as at **30 September 2009**. Information is shown separately between (a) claims that are finalised with all costs known and (b) those that are open, in which case at least part of the cost is an estimate of future payments.

Table E3. Claims Experience by Principal Cause (incl GST) – for Finalised Accepted* Claims

Principal Cause	No. of Claims	Sum Paid to Claimant	Sum Paid to Third Parties	Total Gross Paid \$	Average Claim Size \$
A01: Insolvency	894	31,732,320	2,701,508	34,433,828	38,517
A02: Death	14	513,417	39,480	552,897	39,493
A03: Disappearance	30	1,111,791	86,624	1,198,415	39,947
Total	938	33,357,527	2,827,613	36,185,140	38,577

*Accepted Claims are those in which liability is partially, fully or deemed accepted by the insurer.

"Paid to Claimant" includes all payments to the claimant or to suppliers involved in the rectification of the works. "Paid to Third Parties" includes payments to investigators, loss adjusters, legal expenses, etc. but not insurers' claims handling expenses (overheads).

Table E4. Claims Experience by Principal Cause (incl GST) – for Open* Accepted Claims

Principal Cause	No. of Claims	Sum of Paid to Claimant	Sum of Paid to Third Parties	Net Outstanding Estimate \$	Estimated Total Claims Cost	Average Claim Size \$
A01: Insolvency	670	19,620,291	2,885,123	19,774,406	42,279,820	63,104
A02: Death	9	0	7,576	156,832	164,408	18,268
A03: Disappearance	25	563,022	76,341	494,268	1,133,631	45,345
Total	704	20,183,313	2,969,040	20,425,506	43,577,859	61,900

*Open claims are claims which are not finalised.

Table E5. Claims Experience by Claim Code (incl GST) - for Finalised Accepted Claims – 30 June 2009

Claim Code	No. of Claims	Sum Paid to Claimant	Sum Paid to Third Parties	Total Gross Paid \$	Average Claim Size \$
T01: Failure to commence	80	1,667,866	48,746	1,716,612	21,458
T02: Failure to complete	532	22,777,875	1,790,456	24,568,331	46,181
T03: Structural defect	154	4,619,914	479,505	5,099,419	33,113
T04: Other loss#	172	4,291,872	508,906	4,800,778	27,912
Total	938	33,357,527	2,827,613	36,185,140	38,577

Table E6. Claims Experience by Claim Code (incl GST) – for Open Accepted Claims

Claim Code	No. of Claims	Sum of Paid to Claimant	Sum of Paid to Third Parties	Net Outstanding Estimate \$	Estimated Total Claims Cost	Average Claim Size \$
T01: Failure to commence	35	588,783	32,132	225,687	846,602	24,189
T02: Failure to complete	245	9,688,222	1,103,315	6,438,180	17,229,717	70,325
T03: Structural defect	254	6,971,354	1,182,017	9,785,373	17,938,744	70,625
T04: Other loss#	170	2,934,954	651,576	3,976,266	7,562,796	44,487
Total	704	20,183,313	2,969,040	20,425,506	43,577,859	61,900

'Other loss' claims are generally for non-structural defects.

Table E7. Claims Experience by Type of Cover (incl GST) – for Finalised Accepted Claims

Type of Cover	No. of Claims	Sum of Paid to Claimant	Sum of Paid to Third Parties	Total Gross Paid \$	Average Claim Size \$
C01 : New single dwelling construction	633	22,428,892	1,790,923	24,219,815	38,262
C02: New multi dwelling (greater than 3 storeys) *	0	0	0	0	0
C03 : New multi dwelling (3 storeys and less) *	86	3,135,805	278,385	3,414,190	39,700
C04 : Alterations/Additions	142	6,669,090	616,394	7,285,484	51,306
C05: Swimming Pools	50	731,132	105,185	836,317	16,726
C06 : Renovations (including kitchens and bathrooms)	23	280,736	29,240	309,976	13,477
C07: Other	4	111,872	7,486	119,358	29,839
Total	938	33,357,527	2,827,613	36,185,140	38,577

Table E8. Claims Experience by Type of Cover (incl GST) – for Open Accepted Claims

Type of Cover	No. of Claims	Sum of Paid to Claimant	Sum of Paid to Third Parties	Net Outstanding Estimate \$	Estimated Total Claims Cost	Average Claim Size \$
C01 : New single dwelling construction	454	11,301,665	1,577,990	12,130,675	25,010,330	55,089
C02: New multi dwelling (greater than 3 storeys) *	5	275,240	115,098	1,211,170	1,601,508	320,302
C03 : New multi dwelling (less than or equal 3 storeys) *	136	3,842,203	825,736	5,462,990	10,130,929	74,492
C04 : Alterations/Additions	48	3,654,411	283,292	1,026,293	4,963,996	103,417
C05: Swimming Pools	50	646,345	132,772	540,861	1,319,978	26,400
C06 : Renovations (including kitchens and bathrooms)	9	403,449	22,495	39,449	465,393	51,710
C07: Other	2	60,000	11,657	14,068	85,725	42,863
Total	704	20,183,313	2,969,040	20,425,506	43,577,859	61,900

*Multi-unit claims for common areas are averaged over all units within a development

E.4 Claims experience by year certificate issued

Table E9. Scheme Claims Experience as at 30 June 2009 by year of issue of project certificates (incl GST) – for all **Accepted liability** (finalised and open) claims: **builders and owner-builders**

Certificate calendar year of issue	No. of Claims	Sum of Paid to Claimant	Sum of Paid to Third Parties	Net Outstanding Estimate \$	Estimated Total Claims Cost	Average Claim Size \$
2002 (from 1/7/2002)	110	6,431,902	846,532	2,770,286	10,048,720	91,352
2003	222	8,161,769	992,383	3,038,703	12,192,855	54,923
2004	270	9,961,398	1,572,663	3,127,262	14,661,323	54,301
2005	182	5,447,939	708,356	3,471,127	9,627,422	52,898
2006	220	6,435,805	614,752	1,841,602	8,892,159	40,419
2007	464	12,707,193	1,004,026	3,121,743	16,832,962	36,278
2008	209	5,014,198	449,021	3,341,798	8,805,017	42,129
2009	2	99,834	85,869	0	185,703	92,851
Total	1,679	54,260,038	6,273,602	20,712,521	81,246,161	48,390

This table shows the claims experience to date split by the year the project certificate was issued. For reasons explained in Section 2, this data provides an incomplete view of the claims experience for each year. For all years of issue, even for the earliest under the current scheme with certificates issued in 2002 and 2003, the number of claims and amount paid on claims will continue to increase over the next few years because:

- there may be significant delay between the date a project certificate is issued and the commencement of the project;
- the duration of building projects may range from a few weeks to a few years;
- coverage remains in place for six years after project completion; and
- it may take some time for home owners to identify a loss, lodge a claim with an insurer and for the insurer to assess the claim and arrange rectification.

The impact of these factors is even greater for more recent years.

Insurers have also estimated additional costs of \$10m in respect of claims in which liability have **not** been determined.

Insurers do manage to recover some claim payments, generally as creditors of insolvent builders. Since the scheme commenced, some \$2.6m has been recovered or about 3% of estimated total claims cost to date.

A significant proportion of the Accepted Liability claims for project certificates issued in the 2006, 2007 and 2008 calendar years relate to the Beechwood collapse.

Overall for the Scheme, the number of accepted liability claims is up 114 or 7%, and the reported costs up \$10 million or 14%, since the last quarter.

Part II Owner-Builder Information

This section sets out data for owner-builders in a similar format to that shown earlier for builders. Not all tables in Part I have a corresponding table in this section as some data is not relevant or available in respect of owner-builder insurance.

OB.C Project Certificate information – Owner-Builder

OB.C2 New project certificates issued – Owner-Builder

Table OB.C2. Number of project certificates issued by type of cover

Quarter /Type of cover	New single dwelling construction	New multi dwelling (greater than 3 storeys) *	New multi dwelling (3 storeys or less) *	Alterations /Additions #	Swimming Pools	Renovations (including kitchens and bathrooms) ^	Other	Totals
Jun 06	314	0	15	140	4	22	3	498
Sep 06	307	0	27	147	6	23	0	510
Dec 06	210	0	52	187	8	17	0	474
Mar 07	182	0	37	145	7	24	0	395
Jun 07	356	0	2	194	12	47	7	618
Sept 07	248	0	28	188	12	28	0	504
Dec 07	310	0	0	250	12	34	8	614
Mar 08	276	0	3	165	16	26	3	489
Jun 08	236	0	2	158	8	25	1	430
Sep 08	218	0	7	177	11	14	2	429
Dec 08	171	0	1	165	11	25	0	373
Mar 09	226	0	0	156	10	10	0	402
Jun 09	222	0	0	221	16	10	1	470
Sep 09	269	0	0	226	12	3	0	510

* A project certificate is issued for each unit in a multi-unit development.

Alterations and additions - structural (i.e. the majority of the work is structural).

^ Renovations - non-structural (i.e. the majority of the contract is non structural), including e.g. kitchen/bathroom renovations and trade work.

Figure OB.C2.1 Total Number of project certificates issued during each quarter

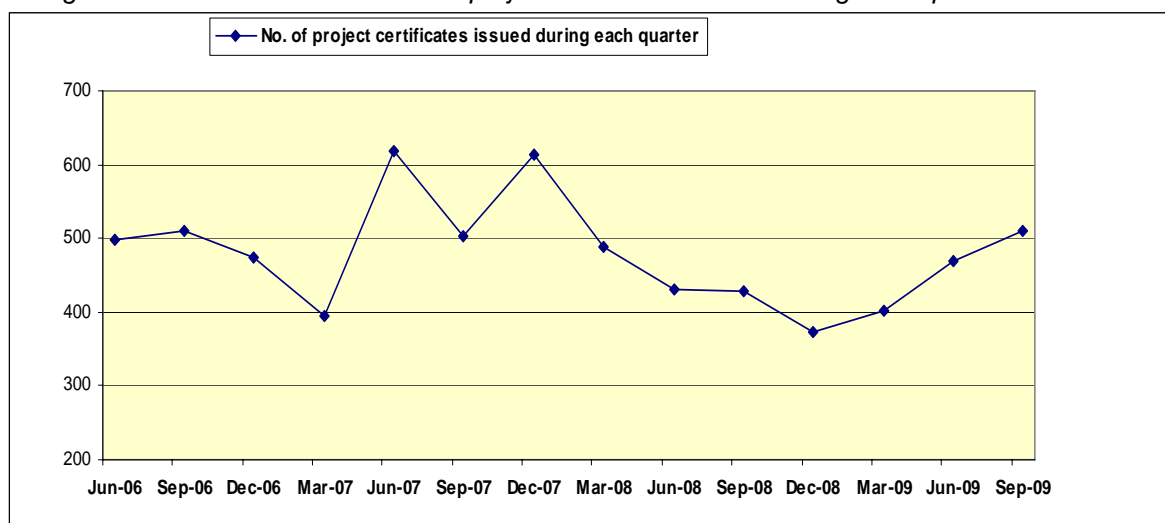


Table OB.C3. Value of project certificates issued by type of cover – (\$'000)

Quarter /Type of cover	New single dwelling construction	New multi dwelling (greater than 3 storeys) *	New multi dwelling (3 storeys or less) *	Alterations /Additions #	Swimming Pools	Renovations (including kitchens and bathrooms) ^	Other	Totals (\$'000)	Average Value per Project Certificate (\$'000)
Jun 06	80,277	0	3,561	15,357	179	2,182	1,190	102,746	206
Sep 06	73,188	0	5,073	12,958	150	6,227	0	97,596	191
Dec 06	56,782	0	2,660	16,548	184	2,736	0	78,910	166
Mar 07	52,891	0	1,600	15,802	203	4,698	0	75,194	190
Jun 07	94,236	0	360	29,071	203	5,614	145	129,629	210
Sept 07	71,160	0	12,158	18,686	312	5,739	0	108,055	214
Dec 07	95,970	0	0	31,749	320	4,742	377	133,158	217
Mar 08	78,976	0	899	22,157	469	2,872	250	105,623	216
Jun 08	72,929	0	300	24,392	176	3,115	40	100,952	235
Sep 08	77,186	0	2,018	25,979	383	1,718	74	107,358	250
Dec 08	53,785	0	170	19,744	238	3,281	0	77,218	207
Mar 09	63,048	0	0	20,752	450	890	0	85,140	212
Jun 09	64,694	0	0	28,027	1,061	757	59	94,598	201
Sep 09	87,514	0	0	27,332	289	490	0	115,625	227

* A project certificate is issued for each unit in a multi-unit development.

Alterations and additions - structural (i.e. the majority of the work is structural)

^ Renovations - non-structural (i.e. the majority of the contract is non structural), including e.g. kitchen/bathroom renovations and trade work.

OB.D Premium Information- Owner-Builder

OB.D1 Total premiums by project type – Owner-Builder

Table OB.D1.1 Written premium for project certificates issued (including charges) - (\$'000)

Quarter /Type of cover	New single dwelling construction	New multi dwelling (greater than 3 storeys) *	New multi dwelling (3 storeys or less) *	Alterations /Additions#	Swimming Pools	Renovations (including kitchens and bathrooms) ^	Other	Totals (\$'000)
Jun 06	648	0	31	169	3	45	13	909
Sept 06	556	0	48	163	5	56	0	828
Dec 06	351	0	30	184	7	37	0	609
Mar 07	366	0	14	183	6	43	0	612
Jun 07	705	0	4	271	7	61	4	1,052
Sept 07	425	0	58	223	14	43	0	763
Dec 07	633	0	0	313	14	46	8	1,014
Mar 08	509	0	6	206	16	33	3	773
Jun 08	449	0	3	208	6	34	1	701
Sep 08	444	0	13	233	10	18	1	719
Dec 08	310	0	1	186	8	41	0	546
Mar 09	406	0	0	182	7	12	0	607
Jun 09	425	0	0	281	26	17	1	750
Sep 09	541	0	0	292	12	7	0	852

Table OB D1.2 Written premium for project certificates issued (excluding charges) - (\$'000)

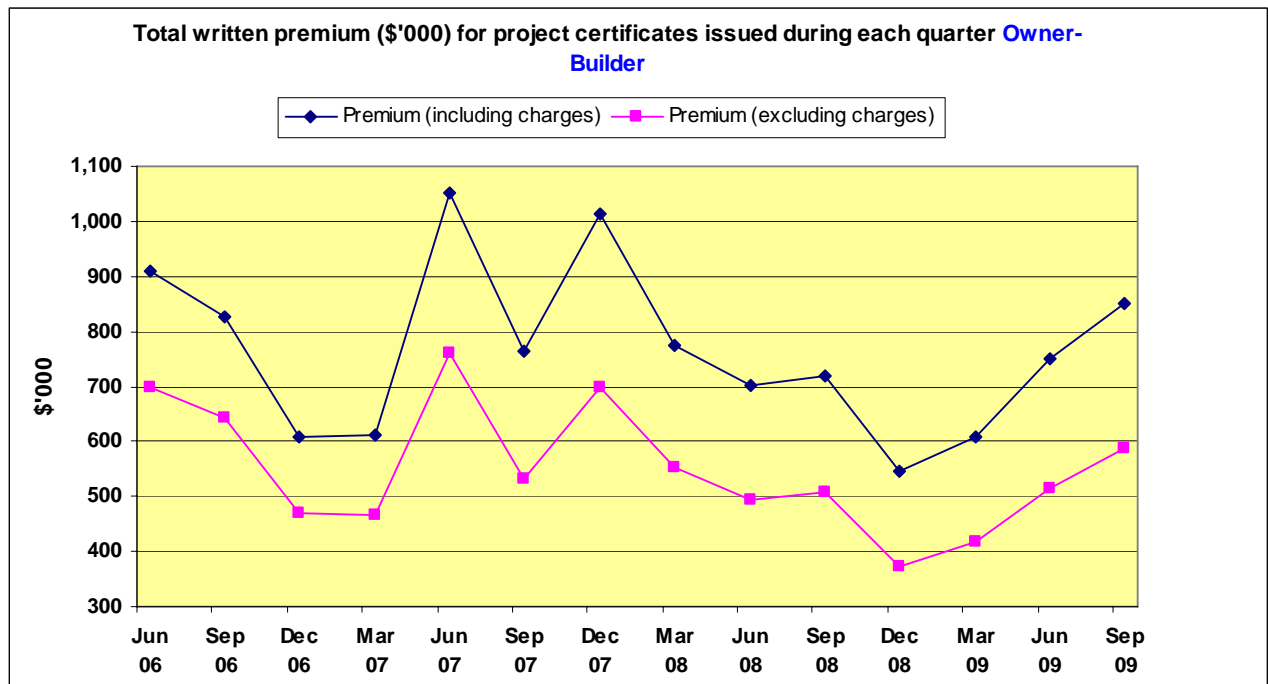
Quarter /Type of cover	New single dwelling construction	New multi dwelling (greater than 3 storeys) *	New multi dwelling (3 storeys or less) *	Alterations /Additions#	Swimming Pools	Renovations (including kitchens and bathrooms) ^	Other	Totals (\$'000)
Jun 06	508	0	23	126	3	27	11	698
Sept 06	435	0	40	126	4	37	0	642
Dec 06	271	0	23	146	6	23	0	469
Mar 07	279	0	12	143	5	27	0	466
Jun 07	510	0	2	199	5	40	3	759
Sept 07	280	0	48	166	10	27	0	531
Dec 07	437	0	0	216	10	31	5	699
Mar 08	368	0	4	144	12	22	2	552
Jun 08	316	0	2	148	5	22	1	494
Sep 08	314	0	11	163	8	12	1	509
Dec 08	215	0	1	128	5	23	0	372
Mar 09	282	0	0	124	5	7	0	418
Jun 09	294	0	0	193	19	9	1	516
Sep 09	373	0	0	200	9	4	0	586

* A project certificate is issued for each unit in a multi-unit development.

Alterations and additions - structural (i.e. the majority of the work is structural)

^ Renovations - non-structural (i.e. the majority of the contract is non structural), including e.g. kitchen/bathroom renovations and trade work.

Figure OB.D1.1 Trend in written premiums for project certificates issued during each quarter



OB.D2 Average premium per project certificate – Owner-Builder

Table OB.D2.1 Average Premium (including charges) per Project Certificate Issued by Type of Cover (\$)

Quarter /Type of cover	New single dwelling construction	New multi dwelling (greater than 3 storeys) *	New multi dwelling (3 storeys or less) *	Alterations /Additions #	Swimming Pools	Renovations (including kitchens and bathrooms) ^	Other	Average per certificate issued \$
Jun 06	2,064	0	2,067	1,207	750	2,045	4,333	1,825
Sept 06	1,811	0	1,778	1,109	833	2,435	0	1,624
Dec 06	1,671	0	577	984	875	2,176	0	1,285
Mar 07	2,011	0	378	1,262	857	1,792	0	1,549
Jun 07	1,980	0	2,000	1,397	583	1,298	571	1,702
Sept 07	1,714	0	2,071	1,186	1,167	1,536	0	1,514
Dec 07	2,042	0	0	1,252	1,167	1,353	1,000	1,651
Mar 08	1,844	0	2,000	1,248	1,000	1,269	1,000	1,581
Jun 08	1,902	0	1,370	1,314	789	1,366	854	1,630
Sep 08	2,037	0	1,803	1,318	954	1,270	546	1,677
Dec 08	1,819	0	1,093	1,125	706	1,623	0	1,464
Mar 09	1,797	0	0	1,163	737	1,171	0	1,509
Jun 09	1,913	0	0	1,274	1,603	1,706	1,128	1,596
Sep 09	2,009	0	0	1,292	1,041	2,260	0	1,670

Table OB.D2.2 Average Premium (including charges) per \$1,000 of Value of Project Certificates issued by Insurer

Quarter /Type of cover	New single dwelling construction	New multi dwelling (greater than 3 storeys) *	New multi dwelling (less than or equal 3 storeys) *	Alterations /Additions #	Swimming Pools	Renovations (including kitchens and bathrooms) ^	Other	Average rate per \$1,000 project value \$
Jun 06	8.07	0	8.62	11.01	17.80	20.59	10.59	8.84
Sept 06	7.59	0	9.50	12.58	35.84	8.95	0	8.48
Dec 06	6.18	0	11.20	11.14	39.77	13.56	0	7.72
Mar 07	6.93	0	8.85	11.54	30.82	9.24	0	8.15
Jun 07	7.48	0	11.00	9.36	35.14	10.88	25.48	8.12
Sept 07	5.98	0	4.76	11.91	45.23	7.50	0	7.06
Dec 07	6.60	0	0	9.86	42.35	9.79	22.31	7.62
Mar 08	6.45	0	6.85	9.26	34.25	11.51	13.71	7.32
Jun 08	6.16	0	9.13	8.51	35.91	10.96	21.35	6.94
Sep 08	5.75	0	6.25	8.98	27.42	10.35	14.76	6.70
Dec 08	5.78	0	6.43	9.40	32.70	12.36	0	7.07
Mar 09	6.44	0	0	8.74	16.38	13.16	0	7.13
Jun 09	6.56	0	0	10.04	24.18	22.54	19.12	7.93
Sep 09	6.18	0	0	10.69	43.29	13.84	0	7.37

- * A project certificate is issued for each unit in a multi-unit development.
- # Alterations and additions - structural (i.e. the majority of the work is structural)
- ^ Renovations - non-structural (i.e. the majority of the contract is non structural), including e.g. kitchen/bathroom renovations and trade work.

Premium rates for owner-builders are generally higher than for corresponding work done by builders. This may reflect insurer expectations of higher costs of claims for structural and non-structural defects in respect of owner-builders.

OB.D Claims Information- Owner-Builder

OB.E1 Number of claims by liability assessment status – Owner-Builder

Table OB.E1 Number of Claims by Liability Status at each quarter end

Quarter	Notification only	Liability being assessed	Liability fully, partially or deemed accepted	Liability fully denied	Liability in dispute	Total
Jun 06	3	7	7	27	0	44
Sep 06	3	5	9	29	0	46
Dec 06	3	1	11	34	0	49
Mar 07	3	0	12	35	1	51
Jun 07	3	2	15	39	0	59
Sept 07	4	6	13	39	1	63
Dec 07	2	7	20	48	0	77
Mar 08	2	12	20	50	1	85
Jun 08	2	7	27	54	4	94
Sep 08	4	8	29	60	0	101
Dec 08	3	8	33	65	2	111
Mar 09	3	4	29	64	4	# 104
Jun 09	4	9	34	65	5	117
Sep 09	6	9	37	71	6	129

The decrease in the number of claims as at 31 March 2009 was due to the corrections of some errors in insurers' December 2008 data

OB.E2 Reasons claims denied – Owner-Builder

Table OB.E2. Liability fully denied – breakdown by Reason Claim Declined

Quarter	Out of time	Builder found	Builder not dead	Builder not insolvent	Not deemed a defect	Total
Jun 06	1	19	0	7	0	27
Sep 06	1	21	0	7	0	29
Dec 06	1	26	0	7	0	34
Mar 07	1	26	1	7	0	35
Jun 07	1	30	1	7	0	39
Sept 07	1	30	1	7	0	39
Dec 07	1	39	1	7	0	48
Mar 08	1	40	2	7	0	50
Jun 08	1	44	2	7	0	54
Sep 08	1	47	2	10	0	60
Dec 08	1	48	2	14	0	65
Mar 09	1	50	2	11	0	64
Jun 09	1	52	1	11	0	65
Sep 09	2	55	1	13	0	71

OB.E3 Claims experience - Owner-Builder

The remaining tables in this section show a further breakdown of the claims as at 31 December 2008 that have been accepted liability as at that date. Both open and finalised claims are included in these tables.

Table OB.E3. Claims Experience by Principal Cause (incl GST) - Accepted* Claims

Principal Cause	No. of Claims Reported	No. of claims Open	Total amounts paid to date \$	Estimated Total Claims Cost \$	Average Claim Size \$
A01: Insolvency	6	2	546,110	606,111	101,019
A02: Death	4	2	38,226	112,896	28,224
A03: Disappearance	27	5	611,811	764,155	28,302
Total	37	9	1,196,147	1,483,162	40,085

*Accepted Claims are those in which liability is partially, fully or deemed accepted by the insurers.

“Total amounts paid to date” includes all payments to the claimant or to suppliers involved in the rectification of the works; payments to third parties such as investigators, loss adjusters, legal expenses, etc.). Insurers’ own claim handling expenses (overheads) are excluded.

Table OB.E4. Claims Experience by Claim Code (incl GST) –Accepted Claims

Claim Code	No. of Claims Reported	No. of claims Open	Total amounts paid to date \$	Estimated Total Claims Cost \$	Average Claim Size \$
T01: Failure to commence	0	0	0	0	0
T02: Failure to complete	0	0	0	0	0
T03: Structural defect	34	7	996,176	1,188,214	34,947
T04: Other loss*	3	2	199,971	294,948	98,316
Total	37	9	1,196,147	1,483,162	40,085

* ‘Other loss’ claims are generally for non-structural defects.

Table OB.E5. Claims Experience by Type of Cover (incl GST) – Accepted Claims

Type of Cover	No. of Claims Reported	No. of claims Open	Total amounts paid to date \$	Estimated Total Claims Cost \$	Average Claim Size \$
C01 : New single dwelling construction	32	8	968,065	1,255,078	39,221
C02: New multi dwelling (greater than 3 storeys) *	0	0	0	0	0
C03 : New multi dwelling (3 storeys and less) *	0	0	0	0	0
C04 : Alterations/Additions	5	1	228,082	228,084	45,617
C05: Swimming Pools	0	0	0	0	0
C06 : Renovations (including kitchens and bathrooms)	0	0	0	0	0
C07: Other	0	0	0	0	0
Total	37	9	1,196,147	1,483,162	40,085

*Multi-unit claims for common areas are averaged over all units within a development

Disappearance of builder is the dominant cause of claims with respect to owner-builders, in contrast to claims against builders which are predominantly in respect of builder insolvency. Non-commencement and non-completion are, of course, irrelevant as to the circumstances giving rise to claims against owner-builders.