

NSW Home Warranty Insurance Scheme

Information on the Scheme as at

31 March 2007

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27 August 2007

Office of Fair Trading
NSW Department of Commerce
201 Elizabeth St
SYDNEY 2000

Dear Sirs

HWI Scheme Data

Finity Consulting Pty Limited (Finity) was engaged by the Office of 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.

In particular we draw the attention of the reader to Section 2 of the publication – Caution in Interpreting the Information.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Geoff Atkins', written in a cursive style with a long horizontal tail.

Geoff Atkins
Fellow of the Institute of Actuaries of Australia

HWI SCHEME DATA

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.

The Office of Fair Trading, within the Department of Commerce, 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 31 March 2007, there were seven insurers approved to offer HWI. While one of the insurers only provides HWI to owner-builders the remainder are able to offer cover to licensed builders and owner-builders.

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 for the period 1 July 2002 to 31 March 2007. The information provided has been aggregated across insurers. Data provided by individual insurers is commercially confidential and has not been disclosed.

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. Data collection systems have only been in place for 18 months and improvements are ongoing. Care must be taken in relying upon initial (baseline) data in determining trends at this stage.

In addition, HWI is a very 'long tail' class of business 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 data in this publication relates only to project certificates issued from 1 July 2002 and claims notified on those certificates. It does not include claims not yet 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, the information does not exist to make such an assessment.

It is also expected that the claims experience of HWI may vary greatly from year to year depending on economic conditions in the home building market and in the community generally. The nature of insurance is that there are good years and bad years. Since the new HWI scheme commenced, the NSW economy has performed reasonably well, and conditions have generally been favourable for home builders.

3 DATA

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.

A.1 Builder eligibilities

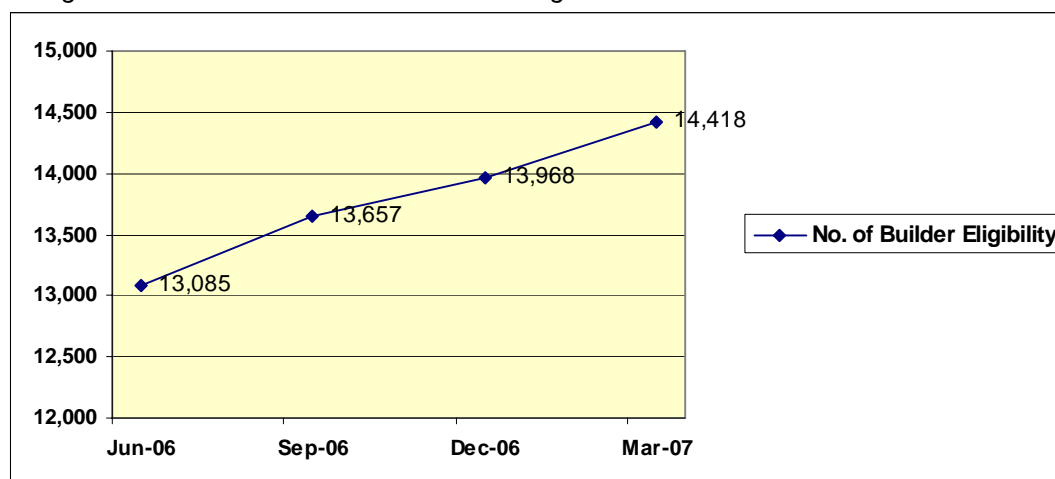
Table A1 shows the number of builder eligibilities at the end of each quarter by turnover band. It excludes builders with eligibility pending, but includes builders who may have eligibility with more than one insurer at the time of reporting. Turnover refers to the total annual turnover for which the builder has eligibility from the insurer at the end of the quarter for all types of cover (Section C.2).

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 | 4,528 | 4,450 | 821 | 699 | 107 | 139 | 340 | 13,657 |
| 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 |

The number of eligibilities has increased over the last year. Most licensed builders have eligibility for annual turnover within the \$1 million to \$3 million band. As at 31 March 2007, 8 per cent of builders had current eligibility with more than one insurer.

Figure A1.1. Trend in Number of Builder Eligibilities



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.

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 |
|---------|----------------|-----------|---------------------|----------------|--------|--------------------------------|
| Jun 06 | 377 | *266 | 10 | 5 | 658 | 5% |
| Sep 06 | 339 | *719 | 9 | 3 | 1,070 | 8% |
| Dec 06 | 221 | 1,212 | 68 | 2 | 1,503 | 11% |
| Mar 07 | 227 | 1,262 | 76 | 4 | 1,569 | 11% |

* The increase in the number of indemnities between June and December 2006 quarters is attributable to one insurer being previously unable to provide data on all job specific and builder deeds of indemnity and another insurer being previously unable to provide data on deeds of indemnity relating to business which it acquired from another insurer.

Since the June 2006 quarter there has been a shift from bank guarantees to indemnities and multiple securities as a preferred form of security. As at 31 March 2007, 11 per cent of builder eligibilities were subject to some form of security being in place with 2 per cent of builders providing formal security such as a bank guarantee (down from 3 per cent as at 30 June 2006).

B.2 Dollar value of securities held over the past year.

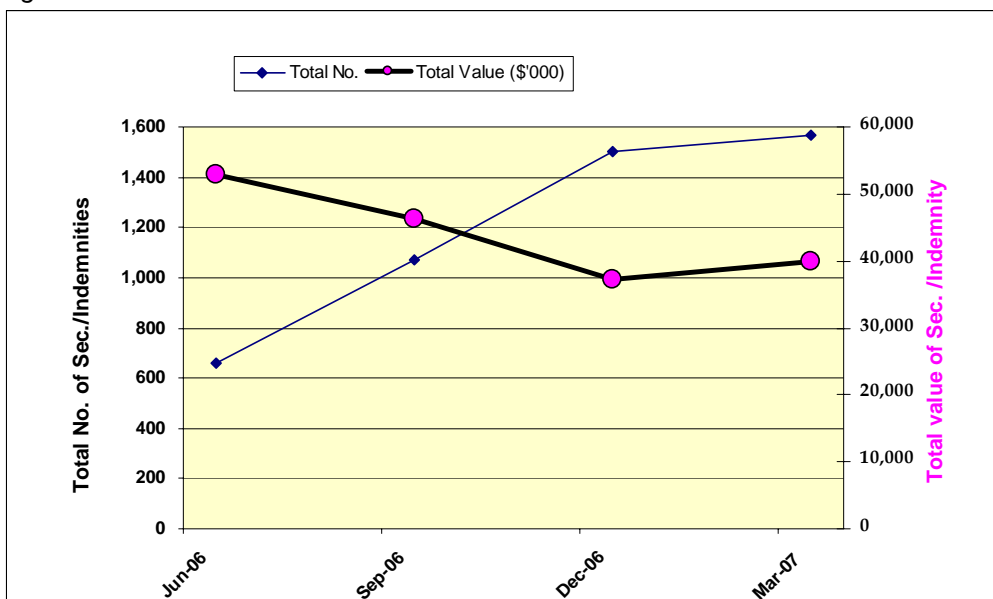
Table B2 Value of Securities and Indemnities (\$'000) - current as at end of each quarter

| Quarter | Bank Guarantee | Indemnity * | Multiple Securities# | Other Security | Totals |
|---------|----------------|-------------|----------------------|----------------|--------|
| Jun 06 | 50,636 | N/A | 2,361 | 23 | 53,020 |
| Sep 06 | 44,000 | N/A | 2,186 | 26 | 46,212 |
| Dec 06 | 26,519 | N/A | 10,643 | 15 | 37,177 |
| Mar 07 | 28,935 | N/A | 10,968 | 19 | 39,922 |

* 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.

Figure B2.1 Trend in Number/Value of Securities and Indemnities



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 |
|---------|----------------|-------------|---------------------|----------------|
| Jun 06 | 134 | N/A | 236 | 5 |
| Sep 06 | 130 | N/A | 243 | 9 |
| Dec 06 | 120 | N/A | 157 | 8 |
| Mar 07 | 127 | N/A | 144 | 5 |

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

The average value of securities reported by insurers has reduced over the period (noting that an indemnity does not have a reported value).

C Project Certificate Information

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 on 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 do not have perfect information on whether individual projects are complete or still in progress.

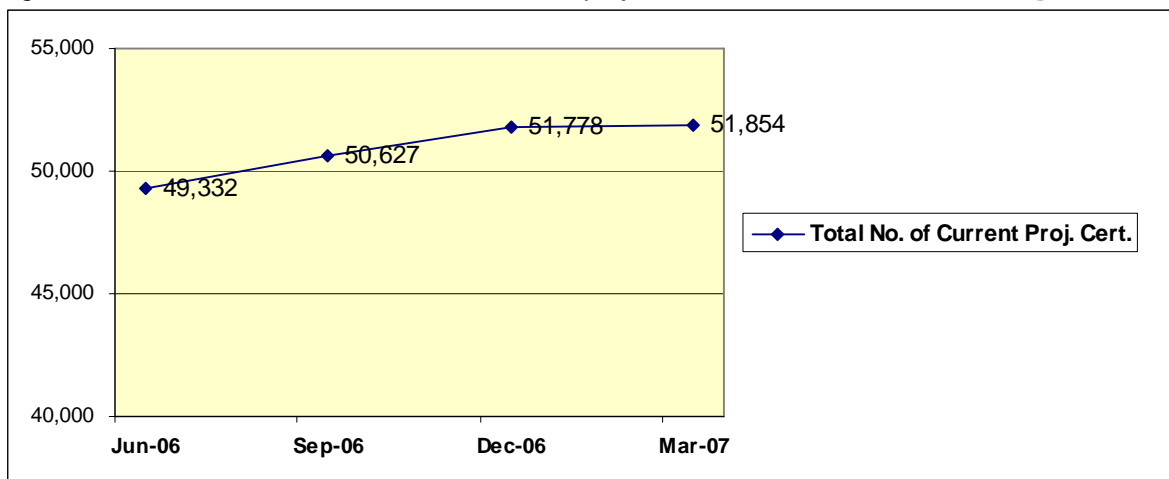
C.1 Current project certificates

Table C1 shows the number of current project certificates as at the end of each quarter as reported by insurers. Figure C1.1 shows the trend in the total number of current project certificates over the period. These figures do not include owner builder projects.

Table C1 Number of current project certificates - as at end of each quarter

| Report Quarter | Totals |
|----------------|--------|
| Jun 06 | 49,332 |
| Sep 06 | 50,627 |
| Dec 06 | 51,778 |
| Mar 07 | 51,854 |

Figure C1.1 Trend in Total Number of current project certificates - As at the end of each quarter



C.2 New project certificates issued

Tables C2, C3 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 C2. Number of project certificates issued by type of cover

| Quarter /Type of cover | New single dwelling construction | New multi dwelling (greater than 3 stories) * | New multi dwelling (less than 3 stories) * | Alterations /Additions # | Swimming Pools | Renovations (including kitchens and bathrooms) ^ | Other | Totals |
|------------------------|----------------------------------|---|--|--------------------------|----------------|--|-------|--------|
| Jun 06 | 4,403 | 41 | 1,454 | 3,542 | 1,707 | 3,017 | 214 | 14,378 |
| Sep 06 | 4,268 | 0 | 1,746 | 3,824 | 1,638 | 3,050 | 283 | 14,809 |
| Dec 06 | 3,757 | 34 | 1,383 | 3,291 | 1,415 | 2,681 | 350 | 12,911 |
| Mar 07 | 3,633 | 26 | 1,385 | 3,514 | 1,168 | 2,604 | 240 | 12,570 |

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

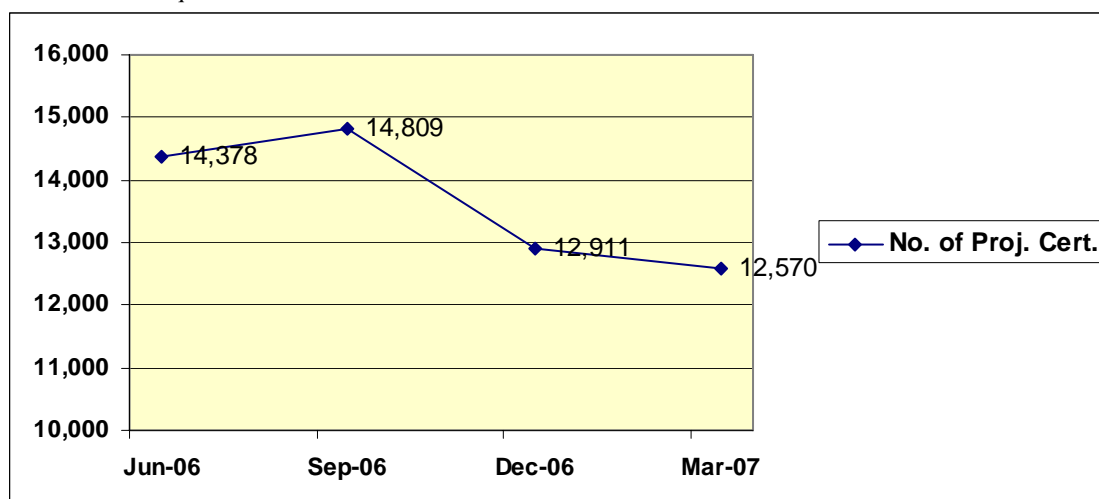
Alterations and additions - structural (i.e. the majority of the work is structural).

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

New single dwelling construction represents the largest number of project certificates issued over the period. Alterations and additions (involving structural work) are the second largest group, followed by renovations (not involving structural work and including kitchens and bathrooms).

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

As at end of each quarter



The number of project certificates issued during the last two quarters was less than the previous two quarters. The issue of project certificates follows trends in new building activity. The reduction in new project certificates is particularly marked for single dwelling construction. The reduction in the March quarter for swimming pool construction is likely to have a seasonal element.

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

| Quarter /Type of cover | New single dwelling construction | New multi dwelling (greater than 3 stories) * | New multi dwelling (less than 3 stories) * | Alterations /Additions # | Swimming Pools | Renovations (including kitchens and bathrooms) ^ | Other | Totals (\$'million) | Average Value per Project Certificate (\$'000) |
|------------------------|----------------------------------|---|--|--------------------------|----------------|--|-------|---------------------|--|
| Jun 06 | 1,148 | 9 | 273 | 637 | 59 | 128 | 23 | 2,277 | 158 |
| Sep 06 | 1,132 | 0 | 329 | 464 | 54 | 119 | 26 | 2,124 | 143 |
| Dec 06 | 998 | 10 | 266 | 360 | 44 | 84 | 29 | 1,791 | 139 |
| Mar 07 | 1,053 | 2 | 246 | 443 | 41 | 95 | 24 | 1,904 | 151 |

* 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 tradework.

Each quarter insurers have issued HWI project certificates covering around \$2 billion of project values. The average project certificate value varies from quarter to quarter, and is in the region of \$150,000.

D Premium Information

Insurers provide information to Fair Trading on the written premium charged for project certificates issued to builders during the quarter. The written premium reported below excludes all fees, taxes and duties (charges).

D.1 Total premiums by project type

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

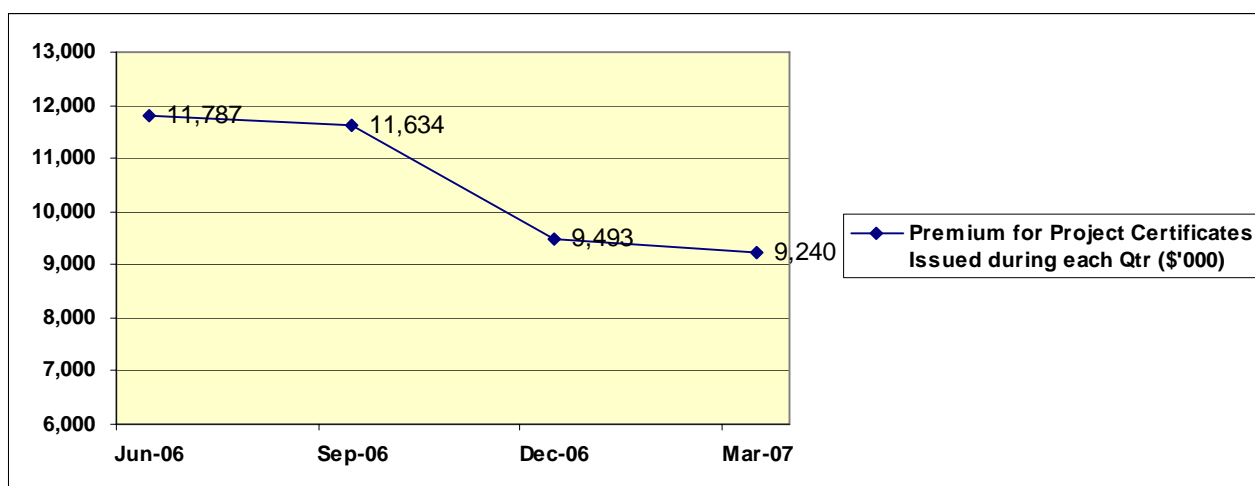
| Quarter /Type of cover | New single dwelling construction | New multi dwelling (greater than 3 stories) * | New multi dwelling (less than 3 stories) * | Alterations /Additions# | Swimming Pools | Renovations (including kitchens and bathrooms) ^ | Other | Totals (\$'000) |
|------------------------|----------------------------------|---|--|-------------------------|----------------|--|-------|-----------------|
| Jun 06 | 4,805 | 39 | 1,395 | 3,724 | 804 | 860 | 162 | 11,789 |
| Sep 06 | 4,375 | 0 | 1,626 | 3,846 | 750 | 856 | 183 | 11,636 |
| Dec 06 | 3,693 | 34 | 1,234 | 3,009 | 611 | 700 | 211 | 9,492 |
| Mar 07 | 3,632 | 12 | 1,145 | 3,127 | 482 | 694 | 148 | 9,240 |

* 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 tradework.

Figure D1.1 Trend in written premiums for project certificates issued during each quarter (excluding charges)



The written premium (excluding charges) for project certificates has declined by 22 per cent over the last year. New project certificates issued over the same period have declined by 13 per cent.

D.2 Average premium per project certificate

Table D2. Average Premium (excluding charges) per Project Certificate Issued by Type of Cover

| Quarter /Type of cover | New single dwelling construction | New multi dwelling (greater than 3 stories) * | New multi dwelling (less than 3 stories) * | Alterations /Additions# | Swimming Pools | Renovations (including kitchens and bathrooms) ^ | Other | Average Totals \$ |
|------------------------|----------------------------------|---|--|-------------------------|----------------|--|-------|-------------------|
| Jun 06 | 1,091 | 951 | 959 | 1,051 | 471 | 285 | 757 | 820 |
| Sep 06 | 1,025 | 0 | 931 | 1,006 | 458 | 281 | 647 | 786 |
| Dec 06 | 983 | 1,000 | 892 | 914 | 432 | 261 | 603 | 735 |
| Mar 07 | 1,000 | 462 | 827 | 890 | 413 | 267 | 617 | 735 |

* 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 tradework.

The average premium per project certificate for most project types has reduced over the period. Average premium totals are also influenced by type of cover mix.

Table D3. Average Premium (excluding charges) per \$'000 of Value of Project Certificates issued by Insurer

| Quarter | Premium Issued (\$'000) | Value of Buildings Relating to Project Certificates Issued (\$'000) | Average Premium per \$1,000 of Project Certificate Value |
|---------|-------------------------|---|--|
| Jun 06 | 11,789 | 2,277,821 | \$5.18 |
| Sep 06 | 11,636 | 2,124,449 | \$5.48 |
| Dec 06 | 9,492 | 1,791,381 | \$5.30 |
| Mar 07 | 9,240 | 1,902,965 | \$4.85 |

E Claims information

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. 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 in the post 1 July 2002 period. For the reasons set out in the Preamble, it will be some years before a complete record of claims from a single year of HWI business is available.

E.1 Number of claims by liability assessment status

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

| Quarter | Notification only or Liability being assessed | Liability fully, partially or deemed accepted | Liability fully denied | Liability in dispute | Total |
|---------|---|---|------------------------|----------------------|-------|
| Jun 06 | 354 | 184 | 144 | 0 | 682 |
| Sep 06 | 379 | 212 | 158 | 0 | 749 |
| Dec 06 | 283 | 286 | 170 | 60 | 799 |
| Mar 07 | 294 | 326 | 185 | 62 | 867 |

As at 31 March 2007, insurers reported 867 claims for policies issued on or after 1 July 2002. This was up from 682 claims nine months earlier. Insurers received 50 to 70 new claims each quarter over the period. Progress of claims from notification to determination has been relatively consistent over the period.

At 31 March 2007, about 59 per cent of claims had liability assessed (accepted, deemed to be accepted or denied), an increase from 48 per cent at 30 June 2006. Of the assessed claims at 31 March 2007, 36 per cent had liability fully denied, down from 44 per cent at 30 June 2006. While it appears that the proportion of claims denied may have fallen in recent periods, a longer history of data will be required before firm conclusions can be drawn.

E.2 Reasons claims denied

Table 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 | Reason not available from insurer # | Total |
|---------|-------------|---------------|------------------|-----------------------|---------------------|-------------------------------------|-------|
| Jun 06 | 17 | 22 | 0 | 27 | 29 | 49 | 144 |
| Sep 06 | 18 | 27 | 0 | 33 | 28 | 52 | 158 |
| Dec 06 | 18 | 32 | 0 | 36 | 33 | 51 | 170 |
| Mar 07 | 18 | 46 | 1 | 42 | 41 | 37 | 185 |

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.

The most common reasons for denying liability was that the builder was found (that is, had not 'disappeared') or that the builder was not insolvent. A significant number of claims were also denied because the items being claimed were not considered a 'defect' as defined.

E.3 Reasons claims accepted

The remaining tables in this section show a further breakdown of the claims that have been accepted. Information is shown separately between claims that are finalised with all costs known and those that are open - in which case at least part of the cost is an estimate.

Table E3. Claims Experience by Principal Cause (incl GST) – for Finalised Accepted* Claims
As at 31 Mar 2007

| Principal Cause | No. of Claims | Sum Paid to Claimant | Sum Paid to Third Parties | Total Gross Paid \$ | Average Claim Size |
|-------------------------------|---------------|----------------------|---------------------------|---------------------|--------------------|
| A01: Insolvency | 163 | 6,369,827 | 384,193 | 6,754,020 | 41,436 |
| A02: Death | 8 | 362,308 | 18,126 | 380,434 | 47,554 |
| A03: Disappearance | 10 | 134,627 | 29,730 | 164,357 | 16,436 |
| A04: Cause not yet determined | 1 | 107,030 | 0 | 107,030 | 107,030 |
| Total | 182 | 6,973,792 | 432,049 | 7,405,841 | 40,691 |

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

Of the 182 accepted claims finalised during the period, the large majority (90 per cent) arose from builder insolvency. The average cost of finalised claims was \$40,000. Of this 94% was paid to the claimant and 6 per cent to third parties.

"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).

E.4 Claims experience

Table E4. Claims Experience by Principal Cause (incl GST) – for Open* Accepted Claims
As at 31 Mar 2007

| Principal Cause | No. of Claims | Sum of Paid to Claimant | Sum of Paid to Third Parties | Total Gross Paid \$ | Net Outstanding Estimate |
|-------------------------------|---------------|-------------------------|------------------------------|---------------------|--------------------------|
| A01: Insolvency | 135 | 2,020,020 | 615,741 | 2,635,761 | 3,154,124 |
| A02: Death | 0 | 0 | 0 | 0 | 0 |
| A03: Disappearance | 8 | 161,773 | 21,182 | 182,955 | 70,652 |
| A04: Cause not yet determined | 1 | 0 | 15,019 | 15,019 | 32,275 |
| Total | 144 | 2,181,793 | 651,942 | 2,833,735 | 3,257,051 |

*Open claims are claims which are not finalised.

Open claims are also mainly a result of builder insolvency. In relation to the 144 claims reported, insurers have paid a total of \$2.8 million and estimate a further \$3.2 million still to be paid. In some cases these estimates are reasonably accurate (e.g. where negotiations are well advanced, or contracts for rectification have been issued). In other cases, the estimates are more approximate (e.g. in the early stages of a claim before the insurer undertakes inspections and receives quotes for rectification work).

If the outstanding estimates made by the insurers are (on average) adequate, then on the basis of information known to date, the average cost for open claims is estimated to be \$42,000. It is possible that there are many open claims for which adequate estimates are yet to be established. It may take some time before the actual amounts are finalised.

*Table E5. Claims Experience by Claim Code (incl GST) – for Finalised Accepted Claims
As at 31 Mar 2007*

| Claim Code | No. of Claims | Sum Paid to Claimant | Sum Paid to Third Parties | Total Gross Paid \$ | Average Claim Size |
|---------------------------------|---------------|----------------------|---------------------------|---------------------|--------------------|
| T01: Failure to commence | 2 | 10,080 | 990 | 11,070 | 5,535 |
| T02: Failure to complete | 102 | 5,025,656 | 226,098 | 5,251,754 | 51,488 |
| T03: Structural defect | 68 | 1,627,649 | 171,287 | 1,798,936 | 26,455 |
| T04: Other loss | 10 | 310,407 | 33,674 | 344,081 | 34,408 |
| Total | 182 | 6,973,792 | 432,049 | 7,405,841 | 40,691 |

Of the finalised claims, 102 or 56 per cent arise from non-completion of projects. Perhaps not surprisingly, the average cost of claims for failure to complete (at \$51,000) is higher than for structural defects (at \$26,000).

As the scheme matures, it is expected that the proportion of claims relating to defects will increase.

Non-completion claims generally arise within the first year or two of the issue of the project certificate. Included in 'Other Loss' are losses attributable to 'non-structural defects'. 'Structural defect' claims arise after completion and for a further period of up to six years. A mature picture of the first year of operation of the HWI scheme will not be available until around 2010.

*Table E6. Claims Experience by Claim Code (incl GST) – for Open Accepted Claims
As at 31 Mar 2007*

| Claim Code | No. of Claims | Sum Paid to Claimant | Sum Paid to Third Parties | Total Gross Paid \$ | Net Outstanding Estimate |
|---------------------------------|---------------|----------------------|---------------------------|---------------------|--------------------------|
| T01: Failure to commence | 0 | 0 | 0 | 0 | 0 |
| T02: Failure to complete | 67 | 1,253,528 | 417,321 | 1,670,849 | 1,554,913 |
| T03: Structural defect | 63 | 552,435 | 178,151 | 730,586 | 1,149,827 |
| T04: Other loss | 14 | 375,830 | 56,470 | 432,300 | 552,311 |
| Total | 144 | 2,181,793 | 651,942 | 2,833,735 | 3,257,051 |

A high proportion of open claims relate to failure to complete and structural defects. Included in 'Other Loss' are losses attributable to 'non-structural defects'.

Tables E7 and E8 provide information on accepted claims by type of cover. It is not possible to draw any conclusions about the relative frequency of claims by type of cover at this stage. A longer history of data is required. To date, as would be expected, dwelling claims appear to be the most expensive whereas claims in relation to swimming pools and renovations have the lowest average cost.

Table E7. Claims Experience by Type of Cover (incl GST) – for Finalised Accepted Claims
As at 31 Mar 2007

| 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 | 79 | 4,297,085 | 195,180 | 4,492,265 | 56,864 |
| C02: New multi dwelling (greater than 3 stories) * | 0 | 0 | 0 | 0 | 0 |
| C03 : New multi dwelling (less than 3 stories) * | 11 | 443,563 | 22,628 | 466,191 | 42,381 |
| C04 : Alterations/Additions | 58 | 1,833,912 | 153,113 | 1,987,025 | 34,259 |
| C05: Swimming Pools | 16 | 192,490 | 45,335 | 237,825 | 14,864 |
| C06 : Renovations (including kitchens and bathrooms) | 16 | 187,742 | 13,086 | 200,828 | 12,552 |
| C07: Other | 2 | 19,000 | 2,707 | 21,707 | 10,854 |
| Total | 182 | 6,973,792 | 432,049 | 7,405,841 | 40,691 |

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

Table 8. Claims Experience by Type of Cover (incl GST) – for Open Accepted Claims
As at 31 Mar 2007

| Type of Cover | No. of Claims | Sum of Paid to Claimant | Sum of Paid to Third Parties | Total Gross Paid \$ | Net Outstanding Estimate |
|--|---------------|-------------------------|------------------------------|---------------------|--------------------------|
| C01 : New single dwelling construction | 48 | 1,031,428 | 234,249 | 1,265,677 | 1,356,721 |
| C02: New multi dwelling (greater than 3 stories) * | 2 | 4,395 | 5,414 | 9,809 | 8,818 |
| C03 : New multi dwelling (less than 3 stories) * | 34 | 264,213 | 150,457 | 414,670 | 944,810 |
| C04 : Alterations/Additions | 46 | 766,331 | 223,821 | 990,152 | 832,100 |
| C05: Swimming Pools | 9 | 72,622 | 21,288 | 93,910 | 49,136 |
| C06 : Renovations (including kitchens and bathrooms) | 5 | 42,804 | 16,713 | 59,517 | 65,466 |
| Total | 144 | 2,181,793 | 651,942 | 2,833,735 | 3,257,051 |

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