

# HIA Home Owners Warranty Insurance in NSW: Everything You to Know

Home ownership is a significant investment with its own risks. HIA Home Owners Warranty Insurance protects NSW homeowners against contingencies that can arise during building projects. In this article, we'll cover what the insurance covers, legal requirements for builders and homeowners, and why it's important to consider obtaining it.

## What is HIA Home Owners Warranty Insurance NSW?

HIA Home Owners Warranty Insurance is a type of insurance that provides protection to home owners in the event of certain contingencies related to residential building works. The policy is specifically designed to provide peace of mind to home owners by covering them against losses that may arise due to defective or incomplete work by the builder.

The Housing Industry Association (HIA) is a construction industry association that assists its members in the home building industry, representing builders, suppliers, and associated professionals. HIA Insurance Services is a subsidiary of the HIA, which was established to provide insurance products and services tailored to the needs of the home building industry.

In NSW, HIA Home Owners Warranty Insurance is mandatory for builders when carrying out residential building works with a value of \$20,000 or more. The insurance policy covers the homeowner in case the builder fails to complete the project, or if there are defects in the workmanship that are deemed the builder's responsibility. The policy also covers contingencies such as poor workmanship, faulty design, and the use of inadequate or unsuitable materials.

Obtaining HIA Home Owners Warranty Insurance is essential for home owners in NSW who are having residential building work carried out. Without this insurance, home owners are exposed to the risk of significant financial loss if the builder fails to complete the work or if there are defects in the workmanship that are the builder's responsibility. HIA Home Owners Warranty Insurance provides a safety net for home owners and ensures that they are protected against unforeseen circumstances that may arise during the building process.

You can be confident that you are getting  
the right legal advice.

## What is a Home Owners Warranty Certificate?

A Home Owners Warranty Certificate is an essential document that provides insurance coverage to the home owner for potential defects and damages in newly-constructed or renovated residential properties.

In addition, having a Home Owners Warranty Certificate may increase the resale value of the property as it provides potential buyers with confidence in the quality of the construction.

To obtain a Home Owners Warranty Certificate, home owners must work with a licensed builder who has HIA Home Owners Warranty Insurance in place. The builder will apply for the warranty on behalf of the home owner, and upon approval, a certificate will be issued.

## What Does HIA Home Owners Warranty Insurance Cover?

HIA Home Owners Warranty Insurance provides coverage for homeowners in the event of a builder failing to complete a building contract or not correcting faults that are deemed by law to be their responsibility. Here's what else it covers:

- **Coverage for contingencies:** HIA Homeowners Warranty Insurance covers home owners for contingencies such as poor workmanship, faulty design, and the use of inadequate or unsuitable materials.
- **Compensation amount:** The compensation amount for major or structural works under the insurance is \$340,000 while the compensation amount for minor or non-structural works is \$20,000.
- **Exclusions:** The policy does not cover damages caused by natural disasters, pests, or defects that result from the home owner's actions.
- **Additional coverage:** Home owners can also purchase additional coverage, such as cover for landscaping, pools, or retaining walls.

It is important to note that the coverage provided by HIA Home Owners Warranty Insurance only applies if the builder is no longer able to rectify the issue, has passed away, or is insolvent.

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## Do I Need Home Owners Warranty Insurance?

While builders are legally required to have HBCF cover, it is important for home owners to consider obtaining Home Owners Warranty Insurance as well. This insurance can provide additional protection, for example:

- If the builder fails to complete the work or correct defects, the Home Owners Warranty Insurance may cover the cost of completing the work or correcting the defects.
- If the builder dies or disappears, the Home Owners Warranty Insurance may cover the cost of completing the work or compensating the homeowner for any losses.
- If there are issues with poor workmanship, the Homeowners Warranty Insurance may cover the cost of repairing or replacing the affected parts of the building.

In summary, while builders are required by law to have HBCF cover, home owners in NSW should consider obtaining Home Owners Warranty Insurance to provide additional protection for their building project.

## How Can an Expert Construction Lawyer Help?

An expert construction lawyer in NSW can provide valuable assistance to homeowners and builders regarding HIA Home Owners Warranty Insurance. They can advise on legal requirements, help navigate the claims process, and provide representation in disputes.

With their knowledge and experience, an expert construction lawyer can help ensure that home owners have adequate insurance coverage and that their rights are protected.

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Contracts Specialist is a Sydney-based construction law firm that deals with Building Disputes, Construction Contracts, Debt Recovery, and Security of Payment. With Contracts Specialist, you are ensured that you are in good hands.

## Conclusion

If you're in the process of building your dream home in NSW, it's essential to have the right protection in place to ensure your investment is safeguarded.

While the HIA Home Owners Warranty Insurance can provide you with peace of mind, navigating the legalities can be overwhelming. That's where an expert construction lawyer comes in. They can guide you through the process of obtaining the right insurance, and provide you with invaluable advice on all aspects of Construction Law.

Don't leave your home's future to chance. If you need legal advice regarding HIA Home Owners Warranty Insurance, contact our expert construction lawyer today.

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