



Victoria Government Gazette

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SPECIAL

BUILDING PRACTITIONERS INSURANCE MINISTERIAL ORDER

I, Robert Maclellan, Minister for Planning, pursuant to section 135 of the **Building Act 1993** hereby make the following order requiring Building Practitioners in the classes specified below to be covered by liability insurance of the kind and to the extent specified.

<i>Column 1</i> Category and class of Building Practitioner	<i>Column 2</i> Kind of Insurance
Builder—Class 2— Demolition single storey detached Class 1 and 10 buildings	A public liability insurance policy of the kind specified hereunder
Builder—Class 3— Demolition general	A public liability insurance policy of the kind specified hereunder
Supervisor (temporary structures)—(Class 1)— stages, tiered seating stands, equipment platforms or towers fabricated on site from metal tubes and fittings or other scaffolding components and other materials.	A public liability insurance policy of the kind specified hereunder
Supervisor (temporary structures)—(Class 2)— special structures— tents, marquees, safety barriers	A public liability insurance policy of the kind specified hereunder

A. The policy—

1. shall provide indemnity in respect of all sums which the Building Practitioner shall become legally liable to pay for compensation (excluding punitive or exemplary damages) in respect of personal injury or property damage caused by an occurrence in connection with the Building Practitioner's business as a Building Practitioner or as a Building Practitioner of a

company or firm of which the Building Practitioner is a director, principal, partner or employee;

2. may name as the insured either the Building Practitioner or the company or firm of which the Building Practitioner is a director, principal, partner or employee provided that where the insured is a firm or company the policy shall provide indemnity to persons who are at the commencement of or who become during the period of insurance principals, partners, directors or employees of the firm or company and are registered Building Practitioners in the category of builder Class 2 and builder Class 3 or supervisor (temporary structures).

3. shall not, save and except as provided in paragraph 1 hereof, exclude liability for loss or damage arising out of or concerning building work as defined in the **Building Act 1993 (Vic)** in the State of Victoria, unless such liability would otherwise have been excluded by the insurer's standard wording for public liability insurance for the class of Building Practitioner at the time of this Ministerial Order PROVIDED ALWAYS that the policy pursuant to this Order shall not contain any terms which exclude cover by reason of claims in respect of personal injury or property damage having arisen directly or indirectly from or having been caused by or in connection with the erection, demolition, alteration of and/or addition to buildings or temporary structures by or on behalf of the insured, or any vibration, or any removal or weakening of support caused thereby.

4. shall require the insurer to give notice of any proposed cancellation by the insurer of the policy to the Registrar, Building Practitioners Board of the State of Victoria on the same day that the notice is given to the insured;

5. shall require the Insurer to give immediate notice to the Registrar, Building Practitioners Board of the State of Victoria of any notice of cancellation of the policy received from the Insured.

6. shall specify a limit of indemnity for any one claim during any one period of insurance of not less than:

- 6.1 \$5 million for Building Practitioners in the category of builder—Class 2—Demolition single storey detached Class 1 and 10 buildings;
- 6.2 \$10 million for Building Practitioners in the category of Builder—Class 3—demolition general;
- 6.3 \$5 million for Building Practitioners in the category of supervisor (temporary structures);

PROVIDED ALWAYS that if the Building Practitioner is registered in more than one of the classes specified, the policy shall specify the greatest limit of indemnity referred to in Paragraphs 6.1, 6.2 and 6.3, as the case may be.

7. shall include, in addition to the limit of indemnity, payment of the costs and expenses incurred by the insured with the consent of the insurer in defending or settling any claim and, in respect of any one claim, the policy may limit this sum to 20% of the limit of indemnity;

8. shall not, unless specifically authorised otherwise by the Minister, include any provision which requires that the insured shall bear an excess at the insured's own risk in any amount in respect of any one claim exceeding:

- 8.1 \$2,000 for (Class 2) Building Practitioners in the category of Builder;
- 8.2 \$5,000 for (Class 3) Building Practitioners in the category of Builder;
- 8.3 \$2,000 for (Class 1) and (Class 2) Building Practitioners in the category of supervisor (temporary structures);

PROVIDED ALWAYS that:

- 8.4 if the Building Practitioner is registered in more than one of the classes specified, the excess shall not exceed the lowest of the amounts referred in Paragraphs 8.1, 8.2 and 8.3, as the case may be;
- 8.5 the insured may apply in writing to the Minister for permission to bear an excess greater than the specified amounts; and
- 8.6 in deciding whether to authorise or reject any application made pursuant to sub-paragraph 8.5, the Minister may

request any such further material, documents, financial or other information from the insured as the Minister deems necessary in order to reach a decision.

B. 1. This Order shall not apply to a building practitioner who is covered by a public liability insurance policy which was current prior to 31 May 1995 which substantially complies with this order if the insurer refuses by way of mutual agreement with its insured to cancel its policy or amend its policy to accord with this Order and confirms such refusal in writing provided always that this exemption to the requirement of this order shall not apply after the expiration of twelve months from the inception of such a policy.

This Order shall have effect from 31 May 1995.

Dated 26 April 1995

ROBERT MACLELLAN
Minister for Planning



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