

NORTHERN TERRITORY BUILDING PRACTITIONERS BOARD

POLICY TITLE:	Professional Indemnity Insurance
POLICY NO.:	BPB-006
EFFECTIVE DATE:	November 2019

Purpose of Policy:

To outline the procedure for provision of insurance and for dealing with practitioners who do not provide the Building Practitioners Board with evidence of insurance renewal.

Supporting Policies/documents:

Sections 24 (new applications) and 24F (renewals) of the *Building Act 1993* (the Act) requires building practitioners to comply with prescribed conditions. Schedule 2 of the Ministers Determination by the Minister for Attorney-General and Justice dated 23 September 2019 prescribes that the following building practitioner categories must have insurance:-

Certifying Engineer (Hydraulic) Certifying Engineer (Mechanical) Certifying Architect	Professional Indemnity Insurance of \$100,000
Building Certifier (Residential)	Professional Indemnity Insurance of \$500,000
Building Certifier (Unrestricted), Certifying Plumber & Drainer (design), Certifying Engineer (Structural)	Professional Indemnity Insurance of \$1,000,000
Certifying Plumber & Drainer	No requirement

Section 34V(1) of the Act states:

The Practitioners Board must by order, suspend the registration of a building practitioner if it is satisfied that the building practitioner has ceased to comply with the qualifications or other requirements of registration.

Policy:

For Certifying Engineers (Structural, Hydraulic and Mechanical), Certifying Architects, Building Certifiers (Residential), Building Certifiers (Unrestricted), Certifying Plumbers & Drainers (Design) a professional indemnity insurance certificate of currency must be provided as evidence of insurance.

The certificate must note the name of the building practitioner as the insured party or, if the insured party is their employer, the certificate must be accompanied by a letter from the employer on company letterhead confirming that the practitioner is covered by their policy. The company that provides the insurance must also be registered in the same category or higher.

If the insurance is provided by their employer, the Licensing Officer is to include an additional paragraph in the covering letter sent with their certificate advising that their registration is limited to works completed on their employer's behalf and that any change of employment must be notified to the Board along with evidence of new insurance.

When a certificate of registration is issued, the practitioner will be advised in writing that they must maintain continuous insurance and provide evidence of this to the Board, with a warning that failure to do so may result in suspension of registration.

Approximately four weeks before the insurance renewal date, the Licensing Officer will write to the practitioner with the following information:

- Insurance renewal date;
- Reminder to provide a copy of the professional indemnity insurance certificate of currency prior to the renewal date; and
- Reminder that if the insurance is covered by a company, the company must be registered in the same category or higher;
- Advice that the Board will suspend the practitioner if the insurance is not provided to the Board by the due date.

If the insurance is not received by the due date, the Licensing Officer will amend the status of the practitioner in the data base to "suspended". The Licensing Officer will also send a second letter to the Practitioner informing them that their registration is suspended and that they will be referred to the next Board meeting for information.

When the insurance certificate is provided, the Licensing Officer is to confirm that the insurance cover is continuous. If the cover is continuous the practitioner will be reinstated with no suspension recorded.

Adopted by the Building Practitioners Board.



Paul Nowland
Chairperson

11 December 2019