

BPB-006: Professional Indemnity Insurance

Purpose

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

Section 24 (new applications) and 24EA (renewals) of the *Building Act 1993* (the Act) requires building practitioners to comply with prescribed conditions. Schedule 2 of the Ministerial Determination gazetted on 18 April 2024 prescribes that the below categories of building practitioner must have Professional Indemnity Insurance of \$1 000 000:

- Building Certifier (Residential)
- Building Certifier (Unrestricted)
- Certifying Plumber and Drainer (Design)
- Certifying Architect
- Certifying Engineer (Structural)
- Certifying Engineer (Hydraulic)
- Certifying Engineer (Mechanical)

Section 34VA(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 and Unrestricted) and 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.

One month before the insurance renewal date, the Board will write to the practitioner with the following information:

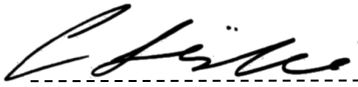
- Insurance renewal date;
- Reminder to provide a copy of the professional indemnity insurance certificate of currency prior to the renewal date;

- 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 status of the practitioner will update to "suspended". The practitioner will also receive a second letter 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.

A handwritten signature in black ink, appearing to read 'Craig Leslie', is written over a horizontal dashed line.

Craig Leslie

Chairperson

15 August 2024