



## FIDELITY CERTIFICATE – IMPORTANT INFORMATION

This Certificate is issued in accordance with the requirements of the Building Act, the Building (RBI and Fidelity Fund Schemes) Regulations and the terms and conditions set out in the Master Builders Fidelity Fund Scheme Trust Deed.

This certificate applies to prescribed residential building work on a single project only (“the **guaranteed work**”).

The Beneficiary under this certificate must be a current owner of the land or building where the guaranteed work is to be carried out.

### CLAIMING UNDER THIS CERTIFICATE

The Beneficiary is entitled to make a claim under this certificate for financial loss incurred in relation to the guaranteed work in the following relevant circumstances:

1. the residential builder has failed to complete the work or has contravened a consumer guarantee; and
2. the builder has died, disappeared or become bankrupt or insolvent or the builder’s registration has ceased due to being suspended or cancelled by order of the Building Practitioners Board or the Local Court.

### WHAT CAN BE CLAIMED?

A claim under this certificate may be made for financial losses incurred in relation to the following:

1. the costs of removal, and of alternative accommodation and storage for a period not exceeding 60 calendar days, reasonably incurred as a result of the defective guaranteed work or non-completion of work;
2. the loss of a deposit or progress payment under a contract relating to the guaranteed work unless the

payment of the deposit or progress payment exceeded the amount specified in the contract for the building work;

3. legal or other reasonable costs involved in seeking to have a builder rectify or complete the work;
4. an increase in costs for rectification of the work caused by the passage of time;
5. any acts or omissions of persons engaged as contractors by the builder to in relation to the work;
6. any additional reasonable costs associated with engaging another builder to rectify or complete the work (excluding the costs associated with the work carried out by that builder).

### LIMITS OF AMOUNT COVERED

A beneficiary is not entitled to make a claim for an amount in excess of the limits set out in this clause. The following set out the limits of amount covered by this certificate:

1. The total sum covered under this certificate for the guaranteed work must be an amount of not less than \$200,000.
2. The amount of cover available for non-completion of the guaranteed work must be an amount not less than 20% of the total contracted price for the work.
3. The amount of cover available for defective guaranteed work must be a maximum amount equal to the amount set out in sub-clause 1, less any amount that may have been paid for non-completion of the guaranteed work.



If the total contracted price for the guaranteed work is varied by an increase or decrease of more than 5%, the builder must apply to the Trustees of the Fidelity Fund Scheme for a reassessment of the amount of cover and contribution payable.

#### **TRUSTEES' DISCRETION**

The Trustees of the Master Builders NT Fidelity Fund may determine whether a claimant on this certificate is a beneficiary or not, and where the claimant is determined to be a beneficiary, the amount of the payment to the beneficiary out of the assets of the scheme and the terms and conditions on which the payment is to be made.

#### **COMMON PROPERTY OF PRESCRIBED CLASS 2 BUILDINGS**

If this certificate is issued for guaranteed work in relation to a dwelling in a class 2 building, in relation to defective guaranteed work carried out in a common area of the building:

1. a claim may be made on behalf of all beneficiaries (who are the current

owners of the dwellings in the building); and

2. any payment made under the certificate to rectify the defective guaranteed work will reduce the beneficiaries cover under the certificate in equal proportions for the dwellings.

#### **TIME FOR MAKING A CLAIM**

A beneficiary who makes a claim for the non-completion of guaranteed work must make the claim within the cover period for the claim.

A beneficiary who makes a claim for defective guaranteed work must make the claim within the cover period relevant to the claim and within 90 days after the day on which the beneficiary became aware or could reasonably be expected to become aware of the defective guaranteed work.

The cover period for either type of claim is defined in regulation 7 of the *Building (Resolution of Residential Building Work Disputes) Regulations*.



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## FIDELITY CERTIFICATE

The guaranteed work is for the construction of: *[insert details of the build, e.g “construct a new class 1a dwelling”, “renovation and extension to a class 1a dwelling”]*

Description of land: *[insert details of land description (Lot no.)/street address/location of the contracted building work]*

Beneficiary: *[insert name]*

Builder: *[insert name]*

Builder’s registration number: *[insert number]*

The guaranteed work is/is not\* subject to a contract and the total contracted price/total value\* of the work is: \$ *[insert amount]*

Builder’s estimated construction period is from: *[insert commencement and end dates]*

The Fidelity Fund is not liable for an excess of: \$ *[insert amount not exceeding \$500]*

The total sum covered under this certificate for the guaranteed work is: \$ *[insert amount not less than \$200,000]*

The limit of cover available for non-completion of the guaranteed work is: \$ *[insert percentage of total contracted price which must be no less than 20%]*

**Jeff Colver** .....

**Fund Manager**

**Date:** 28 June 2013  
**Master Builders Fidelity Fund**