

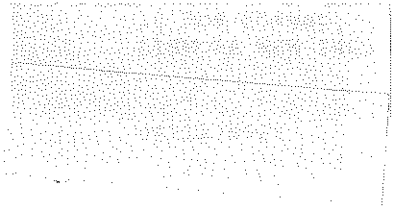
6. In respect to the maturity of the data, the scheme in NSW has been running nearly 6 years which is the "turnover" period for the scheme (statutory warranty period). As such the data is sufficient to make assessments on claims ratios. I believe Mr McCarthy's statement is misleading in the same manner as his statements comparing annual premiums to total scheme claims paid and liabilities. The Senate may wish to consider whether the Scheme has been running long enough to allow accurate actuarial assessment of claims ratios.

7. In response to questions from Senator Milne, Mr McCarthy state that data has only been collected for 12 months. The data in the OFT report on Home Warranty Insurance begins with reporting on the quarter ending on Jun 06 which is now nearly two years ago. I believe Mr McCarthy's statement is misleading. It is also noted that reporting could have started at the inception of the scheme.

8. In response to a question from Senator Milne about insurers undertaking litigation for harassment Mr McCarthy stated he was not aware on any complaints on this issue. I understand Mr McCarthy is well aware of my case where the insurer offered to settle my claim for some \$51,000 whereas the liability I have incurred is in the order \$300,000 as can be seen in my first submission. As to whether I have to submit a "complaint" directly to the Board is immaterial, there is a case where it appears the insurer was undertaking litigation for harassment. I believe Mr McCarthy's statement is misleading.

The Senate may wish to address these issues with Mr McCarthy

Rob Siebert



Rob Siebert

Subject: Home Warranty Insurance - Response to Hearing 13 June 2008

Senators,

On reading the transcript of the hearing on 13 June in Sydney a number of issues arise.

1. Mr McCarthy referred to figures for premiums and claims payouts for the HWI. In relating those figures he has compared annual premiums collected to total payout from the scheme and total forecast liabilities for the scheme. To compare the two is misleading. It would be more correct to compare total premiums and total payouts plus forecast liabilities to provide an accurate picture of the present HWI scheme

2. In response to a question by the Chair, Mr McCarthy stated that in respect to the limit of \$300,000 that "If people wish to take out more insurance, they can"

In my case I sought to have the insurance increased. The builder refused to do so. I then sought an order from the CTTT for the insurer to increase the insurance or have the insurance increased to an amount commensurate with the requirements of s99 of the Home Building Act. The CTTT refused my application and as such the insurance was capped at \$200,000. As can be seen from my previous submissions my costs are now in excess of \$300,000. It would appear Mr McCarthy's statement and responses to Senator Joyce and Senator Milne are misleading or simply not true.

3. In respect to comments made on the provision of the insurance policy, in my case the Builder did not provide me a copy of the insurance certificate or policy. It took an order from the OFT for the builder to give me a copy of the insurance certificate and the builder never provided, despite repeated requests, a copy of the policy. It should be noted that the legislation may have changed since that time.

4. Senator Joyce asked questions in respect to the Ministerial Advisory Board. He referred to a Mr Amery's statement that 50% of the board should represent consumers. It can be seen from the makeup of the board that it represents builders, the legal profession and insurers.

There is only one possibly two persons on the board who could be considered as solely representing consumers. Details can be provided in required.

The Boards tenure expires in Dec 2008 and I will be seeking to become a member of the Board as a consumer representative.

5. In respect to Mr McCarthy's comments about having the insurance explained to the consumer, there is no provision for this to occur. As stated above in my case the builder did not provide the certificate until given an order to do so, never provided a copy of the policy and to date neither the builder or insurer has explained the policy to me. Again it could appear Mr McCarthy's comments are misleading.