

## *underwriting guidelines*



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The key components of Lumley General's Underwriting criteria for Builders Warranty is as follows:

### **General Approach**

Lumley General has adopted a holistic approach to the Builders Warranty product. We are equally interested in both the financial and qualitative aspects of each business. We place a strong emphasis on ensuring applicants are implementing quality control procedures. Lumley General has adopted a flexible framework to its underwriting procedures to ensure we take an individual approach to each applicant.

### **Net Tangible Worth**

Lumley General has a preferred capital adequacy measurement of 5% Net Tangible Worth (NTW) of the requested level of cover. When assessing Trust structures, Lumley General have adopted a measure to calculate a proxy NTW figure.

### **Security/Guarantees**

Lumley General will not seek bank guarantees from any applicant. However, there may be limited circumstances where we request the principals of the business to sign a deed of indemnity and guarantee to support the application.

### **Required considerations**

The Market Practice Guideline requires Lumley General to consider the following aspects of each business applying for eligibility:

- Liquidity
- Insolvencies
- Disputes
- Judgments
- Claims History (both corporate and individual)

### **Additional considerations**

Lumley General also consider the following aspects of each business:

- Business experience
- Industry experience
- Credit history

The eligibility application forms that are submitted contain all the information that Lumley General considers during its underwriting process. These forms are available from our website or through our broker network.