

## 3.11 Building and contents insurance

### Background

Australia has an ageing building stock that either requires maintenance or is due for replenishment. Conversely, the Nation's major capital cities, Sydney and Melbourne, are in the midst of a construction boom making wiring standards and quality current and contemporary issues.

Sub-standard, ageing and decaying wiring poses a clear threat to homeowners and building occupants – as well as to the reputation of the electrical contracting sector. These threats are also exacerbated through sub-quality switchboard and halogen lighting installations and can cause the following risks:

- » Electrical fire and shocks
- » Property damage
- » Legal liability issues
- » Serious injury and death
- » Industry reputation
- » Consumer confidence.

### Key issues and recommendations

#### Insurance premiums

Given the large amount of ageing housing stock in the market and the enhanced requirements of the *Australian Building Code (ABC)*, NECA recommends that when insurance premiums on homes, residential complexes and buildings are calculated, actuaries also factor in the age and quality of a buildings cabling or wiring. This would provide an incentive for property owners to address any sub-standard, ageing or decaying wiring.

**R48: NECA recommends that when insurance premiums on homes, residential complexes and buildings are calculated, actuaries also factor in the age and quality of a building's cabling or wiring. Home/property insurance would then attract a premium discount for owners who continue to ensure that their property's wiring is safe and fully compliant.**