

1st March 2018



CBL Insurance

New Zealand Certified Builders (NZCB) regrets the uncertainty for some customers of our member builders who have Homefirst building guarantees that are underwritten by CBL Insurance, which is currently in a liquidation process that means they may no longer be covered.

It's important to note that in January 2016, NZCB switched to new building guarantee product, called Halo, which is underwritten by Lloyds of London and carries an A+ rating from Standard & Poor's. Most customers of NZCB member builders that have taken out building guarantee insurance with their builder since then are covered by Halo and are therefore unaffected by the CBL situation.

In addition, given that most substantive claims under any building guarantee are typically made within the first two years of a 10-year guarantee, this limits the likely impact on consumers who have a Homefirst guarantee given that we switched to Halo more than two years ago.

Notwithstanding that, we are already investigating any potential action we could take in due course to transition consumers with Homefirst guarantees to Halo to give them peace of mind. However, this would only be able to occur once the CBL liquidation process has run its course and the implications are clear.

We believe our new building guarantee, Halo, that was introduced two years ago is the most comprehensive building guarantee currently available in New Zealand, and stacks up well against other building guarantees in a recent Consumer NZ comparison. As well as its strong financial backing (underwritten by Lloyds), it is independently managed, which ensures there's no conflict of interest in the management of claims as can be the case with in-house guarantees.

If customers who have a Homefirst guarantee from an NZCB member builder are concerned or have any queries, they should talk to CBL Insurance's liquidator in the first instance. Their next step would be to contact Bultin, the broker who organised this guarantee product. Then, if they are still concerned, they can contact us via our website www.nzcb.nz/contact-us/ so we can keep them informed of our progress on alternative cover.