

Tasmanian Risk Management Fund

BUILDING CLAIMS POLICY

Version 2
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Tasmanian Risk Management Fund - Building Claims Policy

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1 Application and scope of the Policy

This Policy applies to Participants in the Tasmanian Risk Management Fund (the Fund) listed in the Fund's *Policy and Disclosure Document* that are covered by the Fund for property risk. Please refer to the [Policy and Disclosure Document](#) located on the Department of Treasury and Finance (Treasury) web site (<https://www.treasury.tas.gov.au/tasmanian-risk-management-fund>).

This policy applies to the claims process for general property claims made against the Fund involving loss of or damage to **buildings** that the Participant owns, has an interest in or for which the Participant is responsible.

This policy does not apply to the claims process for other general property claims, for example for contents and motor vehicles.

2 Purpose of the Policy- Building Claims

Participants in the Fund to whom this policy applies are ultimately responsible for the management of claims and this responsibility cannot be delegated to the Fund Administration Agent (FAA). However, the Participant can provide discretion to the FAA to assist with the management of claims, subject to applicable thresholds.

The purpose of this policy is to outline the applicable thresholds, and the respective roles and responsibilities of the FAA and the Participant in the claims process for claims involving loss of or damage to buildings.

For any claim, Treasury, being responsible for the management of the Fund, has a right to impose additional claims management requirements, in addition or as opposed to those outlined in this Policy.

3 Claims management thresholds

The management of claims is governed by the following thresholds:

Value of the Building Claim	Responsibility for Claims Administration
Less than \$100 000.	<ul style="list-style-type: none">Managed by the Participant; orAt the discretion of the Participant, referred to the FAA to assist with claim management.
\$100 000 or more (except where Treasury determines special circumstances exist).	<ul style="list-style-type: none">Managed by the Participant, with advice and claims administration services provided by the FAA where required.
Where Treasury determines special circumstances ¹ exist.	<ul style="list-style-type: none">Considered by a working group comprising a representative of the Participant, the FAA and Treasury. The Working Group will determine the process to be

¹ Special circumstances may relate to the value of the procurement or to other circumstances.

	followed on a case-by-case basis.
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4 Roles and responsibilities

This section outlines the roles and responsibilities of both the FAA and the Participant with respect to the management of Building Claims covered by this Policy. The Participant is ultimately responsible for the management of all Building Claims, however acting on instructions from the Participant the FAA will undertake a number of tasks associated with the management of these claims.

4.1 The Fund Administration Agent

4.1.1 FAA responsibilities - All claims

The FAA's responsibilities with respect to all claims are:

- providing claims management advice (excluding legal), either proactively or in response to a request by the Participant;
- at the discretion of the FAA, appointing loss assessors and/or investigators (if either/both required), in accordance with *Section 5 - Engagement of service providers*. The details of the required contract inclusions are provided in *Appendix A - Contract Inclusions - Loss Assessors and Investigators*.
- reviewing all claims and payment documentation to ensure it is complete, accurate and appropriate. The FAA can refuse incomplete or incorrect claims for payment; and
- providing the Participant with reports on the progress, and paid and estimated outstanding costs associated with each claim, when requested.

4.1.2 FAA responsibilities - Claims referred by the Participant

In addition to the above, where the Participant has provided discretion to the FAA to assist with the management of claims valued at less than \$100 000, the FAA's responsibilities are:

- in consultation with the Participant, undertaking procurements for contracting with and managing service providers for repairs and/or building works in a manner consistent with *Section 5 - Engagement of service providers* below; and
- at the direction, and in accordance with the instruction of the Participant:
 - coordinating the receipt of legal advice from the Office of the Solicitor-General; and
 - reporting back to the Participant on the advice received.

4.2 The Fund Participant

The Participant's responsibilities with respect to the management of claims are:

- providing a signed and completed claim form to the FAA as soon as possible after becoming aware of an incident involving loss of or damage to buildings (supplying evidence, reports and other supporting material);
- at the sole discretion of the Participant, referring claims requiring works with a claim value of less than \$100 000 to the FAA to assist with claim management;
- instructing the FAA (in writing) regarding the management of claims, as the Participant is ultimately responsible for the management of claims;
- instructing the Office of the Solicitor-General, where applicable, regarding the management of claims, as the Participant is ultimately responsible for the management of claims; and
- except for claims valued at less than \$100 000 where the Participant has provided instruction to the FAA to engage service providers, contracting with and managing service providers for repairs and/or building works, in accordance *Section 5 - Engagement of service providers* below.

5 Engagement of service providers

5.1 Service providers engaged by the FAA

Service providers engaged by the FAA are to be procured in a manner consistent with the market approaches outlined in the Treasurer's Instruction PP 2 - *Market Approaches*.

Where a Panel of service providers has been established by the Department of Treasury and Finance for use in relation to Building Claims covered by the Fund, this panel must be used to engage a supplier for the relevant services.

Where no relevant Panel of service providers exists the following processes are to be followed:

Works valued at under \$100 000

TI PP-2 provides that where the value of the Procurement (or works in respect to this policy) is valued at less than \$100 000 the market approach is to be determined by the Agency (Participant). Where the claim has been referred by the Participant to the FAA to assist in managing the claim the FAA may, in consultation with the Participant, determine the appropriate market approach.

Measures should be employed to ensure that the appointment of services providers is distributed across available providers.

Works valued at \$100 000 or more

In relation to engaging a service provider for works valued at \$100 000 or more the procurement method is at the discretion of the Participant and is required to be undertaken in a manner that is consistent with the requirements of the procurement Treasurer's Instructions. The Participant is to instruct the FAA in respect to the nominated market approach for claims referred to the FAA to administer.

In accordance with Treasurer's Instruction PP 2 - Market Approaches, the Accountable Authority (Participant) is permitted to approve use of a direct sourcing or limited submission sourcing where certain circumstances apply.

The details of the required contract inclusions are provided in Appendix A - Contract Inclusions.

Prequalification requirements

Where appropriate, service providers engaged by the FAA to undertake works must be prequalified in accordance with the requirements set out in section 5.3 below.

5.2 Service providers engaged by the Participant

Service providers engaged by the Participant are to be procured in accordance with the mandatory requirements set out in the procurement Treasurer's Instructions.

In accordance with Treasurer's Instruction *PP 2 - Market Approaches*, the Accountable Authority² (Participant) is permitted to approve use of a direct sourcing or limited submission sourcing where certain circumstances apply.

The details of the required contract inclusions are provided in Appendix A - Contract Inclusions.

Prequalification requirements

Where appropriate, service providers engaged by the Participant to undertake works must be prequalified in accordance with the requirements set out in section 5.3 below.

5.3 Prequalification requirements

Contractors

Where a relevant prequalification category exists, contracts for building and construction works valued at \$250 000 or more must only be awarded to contractors who are prequalified under the *Department of Treasury and Finance Prequalification Scheme for Building Construction and Maintenance Services*.

² The Accountable Authority is the Officer named in Schedule 1, Part 1 of the *Financial Management Act 2016*

Consultants

Where a relevant prequalification category exists, contracts for building and construction / roads and bridges consultants must only be awarded to consultants who are prequalified under the *Department of Treasury and Finance Prequalification Scheme for Building Construction and Maintenance Services*.

6 Claims procedures

In carrying out their roles and responsibilities under this policy the FAA and the Participant will:

- adhere to this Policy; and
- comply with the [claims process for building claims](#) as outlined under Incident Management on the TRMF page of the Department of Treasury and Finance website.

6.1 Directions to service providers

Only the entity that has engaged the service provider is able to provide instructions to that service provider. The engaging entity can delegate this authority to other service providers, such as loss assessors, provided that the delegation is documented in writing and acknowledges that the engaging entity remains ultimately responsible for the management of service providers.

All instructions to service providers are to be given in accordance with the requirements of the contract.

6.2 Authorised officers and access to such officers

Where a claim is referred to the FAA by the Participant to administer, the Participant is to notify the FAA of appropriately authorised officers who have the delegated authority to provide instructions in relation to the claim.

Where the claim has not been referred to the FAA, the FAA is not to take action in relation to any aspect of a claim unless approved by an authorised officer. Where the claim has been referred to the FAA to assist with the management, the FAA must consult with the authorised officer in relation to actions taken.

The Participant is to provide to the FAA access to authorise officers to enable claims to proceed in an appropriate and timely manner.

7 Invoicing procedures and approvals

The level of detail to be specified in an invoice from a service provider is to be determined by the FAA in consultation with Treasury. This information is to be included in contracts with service providers and may include, among other things:

- an itemised description of services;

- 14 calendar day payment terms (where possible);
- the service provider's ABN and contact details; and
- how payment can be made (for example, EFT details).

The FAA will ensure that it receives all invoices associated with each claim and that it critically examines all invoices to verify that the work performed and costs charged are in accordance with the scope of works.

Appendix A- Contract Inclusions

Loss Assessors and Investigators

All contracts with loss assessors and investigators are to be in writing and include, where appropriate and among other things:

- agreed rates for service;
- professional qualifications and standards;
- the requirement for the loss assessor/investigator to be independent from any service contractors on claims and to operate in the best interests of the Participant and the Fund;
- the role and responsibility of the loss assessor/investigator in relation to:
 - the development of the scope of works relevant to any particular claim;
 - supervision of contractors in relation to claims;
 - documentation to be provided to the FAA;
 - approval of contractor invoices and scope variations; and
 - final inspections;
- use by the loss assessor/investigator of other independent experts in relation to claims such as quantity surveyors and engineers; and
- any specific requirements of the Participant in relation to any of the above matters or any other agreed requirements.

Other providers/contractors

All contracts with service providers, regardless of the engaging entity, are to be in writing and include, where appropriate and among other things:

- agreed rates for service; -
- industry accreditation;
- insurance requirements;
- control and access issues relating to the site;
- handover processes on completion and requirements for final inspections, including inspections by any loss assessor appointed by the FAA;
- the scope of works;
- protocols for approving variations to scope by the Participant;
- the level of detail required from contractors in relation to invoicing;
- specifications for occupational health and safety or relevant policies of the Participant; and
- the Government's requirements in relation to asbestos.