

21st June 2019

## Latent Defects Insurance launched in Australia

### Highlights

- Ensurance launches Latent Defects Insurance in Australia, supported by Lloyd's as capacity provider
- Protects policyholders against damage to property resulting from structural defects, when discovered up to 10 years after a building's construction – the first product featuring coverage of this kind in Australia
- Initial sales and marketing activities have already generated strong early interest and a pipeline of opportunities, which are being actively pursued
- Provides a solution for a large addressable market, with building construction carried out in Australia estimated to be in excess of \$100 billion each year<sup>1</sup>

**Ensurance Limited (ASX: ENA)** ('Ensurance' or 'the Company') is pleased to advise it has launched its Latent Defects Insurance product in Australia.

Capacity for the product is provided by Lloyd's – the world's leading specialist insurance market – providing policyholders with protection against damage caused by structural defects discovered up to 10 years after a building's construction has completed.

As is the nature with construction projects, structural faults and defects are often not immediately apparent or detectable until many years until after a project's completion. Rectification of latent defects are often expensive and disruptive and only discovered long after the normal construction liability defects period has ended. Ensurance's Latent Defects insurance indemnifies the insured for the cost to rectify the defect and any damage caused by the defect, up to the sum insured. This is the first product in Australia to provide policyholders with this level of coverage for latent defects.

The launch adds another product to Ensurance's specialised construction and engineering insurance portfolio and targets a large addressable market by offering protection for builders (including owner builders, residential and commercial builders), homeowners, developers and body corporates. The product provides valuable cover for the protection of the estimated \$100 billion worth of residential and commercial construction work completed in Australia each year<sup>1</sup>.

The product is being sold on an exclusive basis via Ensurance Australia's network of licensed intermediaries, and at this early stage, is already being met with strong interest from customers and is expected to contribute to revenue growth in 2H 2019.

**Executive Chairman Tony Leibowitz states:** "We are pleased to have successfully launched our Latent Defects insurance in Australia and are confident that this product meets a large and growing need to protect property owners and builders from structural defects and the resulting damage caused by

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<sup>1</sup> Master Builders Australia: Building and Construction Industry Forecasts Australia, January 2019.

them. This product expands our offering with another niche product targeting the construction and engineering insurance market.”

**ENDS**

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