



Latent Defects Insurance

LATENT DEFECT INSURANCE

What is Latent Defects Insurance, and who benefits?

Latent Defects Insurance (LDI) is a first resort, strict liability policy that covers physical loss or damage to a completed building caused by defects in design, materials or workmanship in the building's structural elements and envelope after completion.

First resort means the trigger for the claim is the identification of a defect itself. A claim can be made by the insured directly with the insurer (Resilience) without need to engage experts or bring about any legal action to make a claim. Strict liability essentially means the insurer will respond in the first instance to defects and items of claim. This will save owners significantly where they no longer need to bring legal action, which is both expensive and will take time.

The cost of repairing water ingress is covered after the expiry of the warranty.

The cost for accommodation expenses to vacate the building where it is damaged is included within the policy.

Latent Defects Insurance provides cover from the date of Occupancy Certificate. It is required prior to starting construction in New South Wales, Australia, coupled with the surety provided by experts all the way through construction.



Builders & Developers

Latent Defects Insurance is extremely cost-effective in protecting the liabilities of Builders and Developers. Adopting the Technical Inspection Service, gives previously unavailable surety to Builders and developers of the quality of delivery to design and building codes. The ability to rectify defective work during construction save the Developer and Builder considerably, after completion, avoiding the destructive investigation and legal exposure of attending to issues in completed works.



Property Owners

Consumer protection is the biggest winner with an LDI policy. The LDI policy automatically transfers from the developer to the strata body corporate at Occupation Certificate. Without an LDI policy, a dispute between the property owner and the developer normally results in considerable delays and mounting legal costs in proving fault or negligence.

An extremely costly exercise with a completely unknown outcome. In addition, if the developer no longer exists, there is little to no recourse for rectifying defects except out of the property owner's pocket. As a property purchaser you should demand the property has a 10-year LDI policy, which should also increase the value of the property as it protects the asset.



Government and Regulators

There is a rapidly changing regulatory landscape being implemented by State Governments across the country with one aim in mind – to increase the quality of design and workmanship in Australian construction.

By effecting an LDI policy, coupled with the insurer's independent inspectors during construction, this ensures highest quality of design and construction and all independently verified and audited.

If the design and construction phase do not pass a technical inspection service audit or inspection, the Developer and Builders will be asked to immediately rectify those issues before proceeding. It is the one and possibly final step in ensuring a quality building is delivered, coupled with a comprehensive 10-year insurance policy, maximising consumer protection.



Tenants

As a tenant you can have peace of mind in the event of a defect manifesting, the claim can be lodged directly with Resilience by the property owner and the time taken to rectify the defect is greatly reduced, especially if disputed by the developer/builder and/or if lawyers are involved.

FREQUENTLY ASKED QUESTIONS

**Have questions about Latent D
Insurance? Look no further**

[VIEW FAQs](#)

CASE STUDIES

Discover how Latent Defects Ins

provides cover and liability pro

These case studies are general but highlight the importance of proactive insuran
assuring the practitioners delivering property and the end users of that pr

All case studies approved as they are loaded.



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LDI internationally offi in Australia



For decades, Latent Defects Insurance was only available in Australia. Now, with industry stakeholders and professionals, it is available in Australia. Now, with

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Get covered with Latent Defects Insurance from Resilience Insurance

Resilience Insurance is the market leader and primary resource for Latent Defects Insurance in Australia. Changing the game for consumers and Industry, this solution not only improves Building Confidence, but it is also a must have on any new development project.

[FIND OUT MORE →](#)



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