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In *The Owners – Strata Plan No 87265 v Saaib; The Owners – Strata Plan No 87265 v Alexandrova [2021] NSWSC 150*, an Owners Corporation brought proceedings against a builder and an insurance broker. The Owners Corporation contracted Mr Saaib (builder) to do residential work on the common property. The Owners Corporation alleged that this work breached warranties in the *Home Building Act 1989 (NSW)*. It was common ground that the builder's nephew had forged his signature on many documents, but the Owners Corporation alleged that the builder authorised his nephew to enter the contract on his behalf.

Furthermore, the Owners Corporation alleged that Ms Alexandrova (insurance broker) had engaged in misleading and deceptive conduct, by submitting home builders insurance without authorisation. This led the Owners Corporation to believe that the builder had valid insurance for any building defects.

The Court was not satisfied that the builder authorised his nephew to enter into the contract. Furthermore, there could not have been any breach of the warranties in the *Home Building Act*, because the builder had not started the works, or supervised any other party to start the works. However, the insurance broker was found liable. She made representations that she was permitted to apply for home builders insurance. She was not just passing on information, but in her dealings with other parties, she put herself out as representing the builder. Although she did not know the documents had forged signatures, she had nevertheless inducted third parties into a false belief.

If you require further information on this decision, or would like assistance in your insurance dispute, please contact [Chris Kintis](#) on 02 8235 1251.