

Appendix B:

Acronyms and glossary

Acronyms

We use the following acronyms in this report:

Acronym	Full spelling
APRA	Australian Prudential Regulation Authority
CAV	Consumer Affairs Victoria
DBI	domestic building insurance
DGS	Department of Government Services
DTP	Department of Transport and Planning
DPC	Department of Premier and Cabinet
DTF	Department of Treasury and Finance
PDH	Porter Davis Homes
VAGO	Victorian Auditor-General's Office
VBA	Victorian Building Authority
VCAT	Victorian Civil and Administrative Tribunal
VMIA	Victorian Managed Insurance Authority

Glossary

The following terms are included in or relevant to this report

Term	Explanation
Actuarial consultant	An actuarial consultant assesses risks in an insurer's portfolio and analyses how to best manage these risks.
Building surveyor	A building surveyor issues building permits and conducts inspections to make sure the building work complies with building standards and regulations.
Eligibility limit	The eligibility limit is the total contract value that a builder is pre-approved to apply to purchase insurance for.
Level of assurance	<p>This is a measure of the confidence we have in our conclusions. The quality and quantity of evidence we obtain affects our level of assurance.</p> <p>We design our work programs with the information needs of our report users in mind. We consider if we need to provide them with reasonable assurance or if a lower level of assurance may be appropriate.</p>
Liability decision	The liability decision refers to the decision an insurer makes to either accept or deny an insurance claim.
Limited assurance	We obtain less assurance when we rely primarily on an agency's representations and other evidence generated by that agency. However, we aim to have enough confidence in our conclusion for it to be meaningful. We call these types of engagements

Term	Explanation
	<p>assurance reviews and typically express our opinions in negative terms. For example, 'nothing has come to our attention to indicate there is a problem.'</p> <p>See our assurance services fact sheet for more information.</p>
Premium	A premium is the amount of money needed to purchase an insurance policy.
Quantum decision	The quantum decision refers to the decision an insurer makes about how much money it will provide to satisfy a claim.
Reasonable assurance	<p>We achieve reasonable assurance by obtaining and verifying direct evidence from a variety of internal and external sources about an agency's performance. This enables us to draw a conclusion against an objective with a high level of assurance. We call these performance audits.</p> <p>See our assurance services fact sheet for more information.</p>
Underwriting	Underwriting is where an insurer assesses whether to accept an insurance application based on the risk the policy owner will make a claim.