



NHBC Buildmark Choice

Your warranty and insurance cover

Applicable to newly built or converted social housing properties registered with NHBC from 1 April 2007



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Your right to cancel

You have the right to cancel cover under Buildmark Choice. If you wish to cancel the cover, you must do so within 14 days starting on the day after you receive the Buildmark Choice policy documents. Your cancellation must reach NHBC by letter or email:

By letter Customer Services
 NHBC
 NHBC House
 Davy Avenue
 Knowlhill
 Milton Keynes
 Bucks MK5 8FP

By email cssupport@nhbc.co.uk

Please quote your Buildmark Choice policy number when cancelling. If you choose to cancel the policy, no refund of the premium will be paid.

With the cancellation request, please return to NHBC all Buildmark Choice policy documents.

Before cancelling the cover please check with your mortgage lender because they may require you to have this cover or its equivalent as a condition of the loan. Please remember also that if you sell the Home within the period of cover, a purchaser (and any lender at that time) will usually require the cover.

If your Home includes Common Parts for which you are jointly responsible with Owners of other Homes, your cancellation will apply to both the cover on your individual Home and the cover for your share of the cost of any claim relating to the Common Parts. So if you cancel your cover, your lease or title will still require you to contribute to the cost of repairs along with your neighbours.

Part B Contractor's repair cover

By accepting this cover you agree to enter into a contract with NHBC and that as an Owner you require the insurance, subject to the relevant financial limits, to protect you:

- 1) if the Contractor becomes insolvent or fails to meet their obligations during the first two years after completion.
- 2) against Damage caused by Defects in specified parts of the Home during years three to ten.

There is also additional cover where NHBC Building Control Services Ltd carried out the building control.

You may also have selected other optional cover.

Full details of the cover are set out in the booklet.

Definitions

In this document, for clarity, 'you' and 'your' mean the Registered Social Landlord and, if applicable, the shared owner. 'NHBC', 'we' and 'us' mean the National House-Building Council. As this is a legal document, it is necessary to define certain words. These are printed in bold type and defined below. Each time we use one of these words, it will have the same meaning.

Blight

The effect on the value of any **Home** of the existence or former existence (whether actual or alleged) of contamination.

Building Contract

The contract entered into or to be entered into between the **Contractor** and **First Owner** (or a third party on behalf of the **First Owner**) for the construction of the **Development**.

Buildmark Choice

The agreements:

- a between the **Owner** and the **Contractor**; and
 - b between the **Owner** and NHBC
- which are contained in the **Quotation** and this policy.

Contract Price

The total overall price of the **Building Contract**.

Common Parts

Parts of the **Development** which occupiers of a number of **Homes** have the legal right to share the use of, or have a legal interest in (see page 6 regarding application of **Excesses**).

Contractor

The person, firm or company shown as such on the **Quotation** and registered with NHBC as a Builder.

Cost

The cost we would have had to pay if we had arranged for the work to be done.

Damage

Physical damage to a **Home** caused by a **Defect**.

Defect

A breach of any mandatory **NHBC Requirement** by the **Contractor** or anyone employed by the **Contractor** or acting for the **Contractor**. Failure to follow the guidance supporting the **NHBC Requirements** does not in itself amount to a **Defect**, as there may be other ways that the required performance can be achieved.

Development

A **Home** or group of **Homes** newly built, converted or renovated under the **Building Contract**. This includes:

- a the drainage system for which you are responsible, including existing drains if these have been tested and certified under the **Building Contract**; and
- b paths, driveways and car-parking areas which were newly built at the date of the **Insurance Certificate** and are not covered by statutory agreements saying that they will be adopted by a public authority and which are, or will be, the **Owner's** responsibility. **Development** does not include open spaces, hard and soft landscaping or planting.

Excess

The amount below which we have no liability. This amount is shown on the **Insurance Certificate**. All **Excesses** are set with a base reference of 1 April 2004 and are increased on 1 April each year in line with the Royal Institution of Chartered Surveyors - House Re-building Cost Index.

The figure that applies to a claim is the one that was in force when the claim was first notified to NHBC.

First Owner

The organisation shown as such on the **Quotation**.

Home

The house, bungalow, flat, maisonette or other building referred to in the **Quotation**, together with any of the following that are included in the original **Building Contract**:

- a The drainage system serving the **Home** for which you are responsible.
- b Any new electrical fixed wiring and lighting system, heating system, air conditioning, smoke alarm, waste disposal unit or water softening equipment newly installed in that building at the date of the **Insurance Certificate**.
- c Any garage, permanent outbuilding, retaining wall, boundary wall, external handrail, balustrade, path, drive, garden area or paved area which serves the **Home** and which was newly built or renovated by the **Contractor** at the date of the **Insurance Certificate**.

Home does not include any fence, temporary structure, swimming pool, lift, or any electrical, electronic or mechanical equipment (whether built in or not) except the items listed in (b) above, or necessary to comply with the Building Regulations. In Scotland **Home** does not include any road, footpath or footway.

Insurance Certificate

The certificate we issue in relation to each **Home** stating that it appears to have been designed and constructed substantially in accordance with **NHBC Requirements**.

Maximum Insured Value

The amount shown on the **Insurance Certificate**.

NHBC Requirements

The mandatory Requirements we publish in the NHBC Standards which are in force either;

- a when the concreting of the foundations of a newly built **Home** is begun; or
- b when conversion work affecting the **Home** is started.

Owner

The **First Owner** and each subsequent **Owner** of the **Development**. **Owner** includes any mortgagee or heritable creditor in possession.

Quotation

The form containing:

- a the offer of cover under **Buildmark Choice**;
- b the conditions to which that offer is subject; and
- c acceptance of the offer by the **First Owner**.

Statutory Notice

A notice served by a statutory authority under legislation that requires you to rectify contaminated land, called 'remediation'.

The Land

Ground that you own, which supports and surrounds the **Development** and which was under the control of the **Contractor** during the **Building Contract**.

General exclusions for claims to NHBC

In common with other insurance policies, Buildmark Choice does not protect the **Owner** against every problem that may occur. Several limitations and exclusions apply throughout the policy. We believe it is important to make them clear and easy to find, so we have listed them in the table below.

NHBC will not be liable for

- a) Any cost, loss or liability which is provided for by legislation or which is covered by any insurance policy, bond, surety or indemnity agreement.
- b) Anything excluded by an endorsement by NHBC on the **Insurance Certificate**.
- c) Anything affecting or caused by alterations or extensions to a **Home** carried out after the date of the **Insurance Certificate**.
- d) Anything resulting from designs supplied by or on behalf of the **First Owner** which are not in accordance with **NHBC Requirements**, provided the **Contractor** has given notice of this in writing, in accordance with his warranty on page 2 of this policy. If the **First Owner** or their agent has nevertheless required the **Contractor** to follow that design, any **Defect** or **Damage** attributable to that design is excluded.
- e) Wear and tear.
- f) Deterioration caused by neglect or failure to carry out normal or specific maintenance.
- g) Dampness, condensation or shrinkage not caused by a **Defect**.
- h) Any **Defect** or **Damage** caused by the installation or presence of a swimming pool or lift.
- i) Any reduction in value or loss of value of a **Home**.
- j) Loss of enjoyment, use, income or business opportunity, inconvenience, distress or any other consequential loss.
- k) Any professional fees except those covered by Options 1 and 2.
- l) Any cost or expense greater than that necessary to effect a workmanlike repair of the relevant **Defect** or **Damage**.
- m) Costs that have already been taken into account by NHBC or by the Contractor when making payment to or carrying out work for a previous **Owner**.
- n) Costs that are attributable to your unreasonable delay in pursuing a claim.
- o) If you are not the **First Owner**, anything which you knew about when you bought the **Home** and which resulted in a reduction in the purchase price you paid or which was taken into account in any other arrangement.
- p) Replacement of any undamaged item because another item of the same nature, design or colour has to be replaced and the original items cannot be matched.
- q) Loss or damage resulting from flooding from whatever source or from a change in the water-table level.
- r) Death, bodily injury, disease, illness or injury to mental health.
- s) Loss or damage caused by storm-force weather conditions. In this respect NHBC may take into account reports from the Meteorological Office.

Some other limitations and exclusions apply only to parts of the policy. You will find them in the relevant parts.

Introduction

Buildmark Choice provides warranty and insurance cover specially designed for Registered Social Landlords. It covers both new-build and conversion and renovation schemes and may be available for mixed-use sites, student accommodation and foyer schemes.

Buildmark Choice gives the following main areas of cover:

- 1 Contractor's repair cover for two years.
- 2 Home damage cover for the remaining period (up to 12 years if Option 3 is selected). Home damage cover includes a standard **Excess** of £650 Indexed, but gives Registered Social Landlords the option to have larger **Excesses**.

The option to take a larger **Excess** is not available on **Homes** for sale or for shared ownership because larger **Excesses** are not suitable for private homeowners.

- 3 Cover for the cost of complying with a **Statutory Notice** served on the owner in respect of contaminated land.
- 4 Additional cover if NHBC Building Control Services Ltd or an Approved Inspector registered with NHBC has carried out building control, for breaches of specified Building Regulations causing a danger to health and safety.

If you later decide to sell any equity in a home covered by a Buildmark Choice policy to a private buyer, you must ensure that the buyer is aware of the cover taken out and that it differs from NHBC Buildmark. If the smallest **Excess** was not initially included, NHBC may amend the policy to include this cover if an adjustment premium is paid. (The original **Excess** figure will be applied to any **Defect** which was evident at the time the adjustment premium is paid.) Please contact NHBC for advice.

Buildmark Choice also offers Registered Social Landlords a range of options:

- Option 1** Insolvency cover before practical completion
- Option 2** Professional fees
- Option 3** Extended period of cover

Quotations are available from NHBC Customer Services, NHBC House, Davy Avenue, Knowlhill, Milton Keynes, Buckinghamshire MK5 8FP, Tel: 0844 633 1000 (England, Wales and Scotland) or 028 9068 3131 (Northern Ireland and Isle of Man), email: cssupport@nhbc.co.uk.

This introduction is for information only and does not form part of the contract.

The cover provided by NHBC under Buildmark Choice is underwritten by the National House-Building Council, a company limited by guarantee with company registration number 320784, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The registered office is NHBC House, Davy Avenue, Knowlhill, Milton Keynes, Buckinghamshire MK5 8FP.

The role of NHBC

NHBC is the standard setting body and leading warranty and insurance provider for new and newly converted homes in the UK.

Established in 1936 as a non-profit distributing company, NHBC's primary purpose is to help raise standards in the house-building industry and provide consumer protection for new homeowners.

How to make a claim - what you must do

- Contact NHBC Claims at NHBC House, Davy Avenue, Knowlhill, Milton Keynes, Buckinghamshire MK5 8FP Tel: 0800 035 6422 Fax: 0844 633 0022, as soon as you think you need to make a claim.
- Give us the opportunity to inspect before any work is done.
- If we ask for them, send us copies of any **Statutory Notice**, correspondence, contracts, plans, quotations, receipts and any other documents or information relating to the **Development**.
- We may ask you to pay a fee and/or provide further information before investigating your claim. The costs incurred may be refunded if your claim is valid.



Part A Contractor's warranties

- 1 The **Contractor** warrants to the **Owner** that the **Development** has been, or will be, built, converted or renovated:
 - a substantially in accordance with **NHBC's Requirements**;
 - b in an efficient and workmanlike manner and of proper materials and, in the case of houses, bungalows, maisonettes or flats, so as to be fit for habitation.
- 2 If the **Building Contract** requires the **Contractor** to provide the detailed design or requires the **Contractor** to approve and adopt as their own a detailed design prepared by or on behalf of the **First Owner**, the **Contractor** warrants that:
 - a they have used their best endeavours to ensure that the design will enable them to comply with **NHBC Requirements** and, in particular, that they have, where necessary, obtained advice from suitably qualified persons; and
 - b where the design would result in workmanship or the use of materials that would not comply with **NHBC Requirements**, they have promptly notified the **First Owner** and **NHBC** of that fact in writing.

Note

Rights in respect of these warranties are in addition to any other rights there may be under **Buildmark Choice**.

Part B Contractor's repair cover

The Contractor's obligations

This part of the cover tells you what the **Contractor** must do if they are given notice of **Defects** or **Damage**. This notice must be given as soon as possible within the period of cover.

You should keep copies of any correspondence or any other information, such as notes of telephone conversations, as you may need these later to prove that problems were reported in the first two years.

The Contractor must take the actions shown in the green panel below, but does not have to take action to deal with any of the items in the blue panel.

Period of cover

This lasts for two years from the date of the **Insurance Certificate**.

What the Contractor is liable for

Within a reasonable time and at their own expense, to put right any **Defect** or **Damage** which is notified to them within this period of the cover.

Any reasonable costs you incur, by prior agreement with the **Contractor**, for removal, storage and appropriate alternative accommodation if anyone normally living in a **Home** has to move out so that work can be done.

If they are given notice of **Defects** or **Damage** within this period of cover, the **Contractor** remains liable as above, even after this period of cover ends.

What the Contractor is not liable for

Wear and tear.

Deterioration caused by neglect or failure to carry out normal or specific maintenance.

Dampness, condensation or shrinkage not caused by a **Defect**.

Anything excluded by an endorsement on the **Insurance Certificate**.

Anything caused by alterations or extensions to a **Home** after the date of the **Insurance Certificate**.

Anything resulting from designs supplied by or on behalf of the **First Owner** which is not in accordance with **NHBC Requirements**, provided the **Contractor** has given notice of this in writing, in accordance with their warranty on page 2 of this policy. If the **First Owner** or their agent has nevertheless required the **Contractor** to follow that design, any **Defect** or **Damage** attributable to that design is excluded.

Any cost or expense greater than that necessary to carry out a workmanlike repair of the **Defect** or **Damage**.

Any items falling outside the definition of **Home**.

If you are not the **First Owner**, anything which you knew about when you acquired the **Home** and which resulted in a reduction in the purchase price you paid or which was taken into account in any other arrangement.

Part B Contractor's repair cover

The NHBC Insurance

This part of the cover only applies if the **Contractor** does not meet their obligations under the Contractor's repair cover.

We will either pay for the items in the green panel below or, at our option, arrange for the necessary work to be carried out. We will not pay for the items in the blue panel.

Period of cover

This lasts for two years from the date of the **Insurance Certificate**.

Financial limits

The most we will pay for all claims relating to the **Development** under the Contractor's repair cover and Home damage cover together is the **Maximum Insured Value**. NHBC's total liability in respect of any continuous converted structure on the **Development** will not exceed £5 million.

The financial limit will be increased from the date of the **Insurance Certificate** in line with the Royal Institution of Chartered Surveyors' House Re-building Cost Index or, if less, by 10% compound per year. If we accept a claim, the cost of the claim will be deducted from the financial limit. The balance will then continue to be increased as above.

The most we will pay for alternative accommodation, loss of rent, removals and storage is 10% of the financial limit at the time of the claim.

What NHBC will pay for

If the **Contractor** is insolvent, the **Cost** of putting right any **Defect** or **Damage**, which the Contractor has failed to rectify in accordance with their obligations under the Contractor's repair cover.

Any arbitration award, adjudication award or court judgement which you obtain against the **Contractor** relating to their obligations under the Contractor's repair cover and which they have failed to honour.

The **Cost** of any work contained in a Resolution Service report which is accepted by you and which the **Contractor** does not complete or arrange to complete within the time set by NHBC.

Any reasonable costs incurred, by prior agreement with us, for removal, storage, loss of rent and appropriate alternative accommodation if anyone normally living in the **Home** has to move out so that work can be done in connection with a valid claim to NHBC.

What NHBC will not pay for

Anything not included in the **Building Contract**.

Anything for which you have held back retention money. If you have done so, we will be entitled to deduct this amount from the sum we would otherwise pay. If we carry out the work, you must pay the retention to us before work starts.

Anything listed in the **General Exclusions on the inside front cover**.

Part B Contractor's repair cover

The Resolution Service

If there is a disagreement about the **Contractor's** obligations, we will usually try to resolve matters under our Resolution Service. However, we can only help with disputes about **Defects** or **Damage**. We will not be able to help if you have a dispute about such matters as financial or contractual issues. In these circumstances we will suggest you consider another type of dispute resolution procedure. See complaints and disputes procedures on pages 14 and 15.

When we offer our Resolution Service, we will investigate any **Defects** or **Damage** which you have reported to the **Contractor** and which they have not put right within a reasonable time. We will then issue a report informing both you and the **Contractor** of any work that they must carry out to fulfil their obligations under this part of the cover.

The **Contractor** must carry out the work within a reasonable period of time, which will be set by NHBC. The **Contractor** must be allowed reasonable access during normal working hours to carry out the work.

If the **Contractor** does not carry out the work within the time set and has not agreed a programme with you to complete the work, then we will, at our option, pay the **Cost** of the work detailed in our report or arrange for the work to be done.

If you disagree with our Resolution Service report, there are other ways of resolving your dispute with the Contractor. These are explained in the complaints and disputes procedures on pages 14 and 15. Please note that the Financial Ombudsman Service cannot assist if you disagree with our Resolution Service report, as they can only deal with complaints about our insurance cover.

We have no liability under this part of the cover unless we have issued a Resolution Service report that you have accepted, or unless the **Contractor** is insolvent or has failed to honour an arbitration award, adjudication award, or court judgement.

Part C Home damage cover

When you took out this policy, you selected an **Excess**. This will be shown on your **Insurance Certificate**, and will be applied to claims under item A of the Home damage cover. If the value of your claim exceeds this amount, you may have a valid claim for the **Cost** of the work above the **Excess**. The **Excess** does not apply to items B or C of the Home damage cover.

We will either pay for the items in the green panel or, at our option, arrange for the necessary work to be carried out. We will not pay for the items in the blue panel.

Period of cover

This period of cover starts two years after the date of the **Insurance Certificate** and ends 10 years after the date of the **Insurance Certificate**, or 12 years after the date of the **Insurance Certificate** if Option 3 has been taken out.

Financial limits

The most we will pay for all claims relating to the **Development** under the Contractor's repair cover and Home damage cover together is the **Maximum Insured Value**. NHBC's total liability in respect of any continuous converted structure on the **Development** will not exceed £5 million.

The financial limit will be increased from the date of the **Insurance Certificate** in line with the Royal Institution of Chartered Surveyors' House Re-building Cost Index or, if less, by 10% compound per year. If we accept a claim, the cost of the claim will be deducted from the financial limit. The balance will then continue to be increased as above.

The most we will pay for alternative accommodation, loss of rent, removals and storage is 10% of the financial limit at the time of the claim.

How Excesses are applied

The **Excess** shown on the **Insurance Certificate** will be applied to each **Home** and to each item for which a claim is made.

Where a claim relates to **Common Parts**, the **Excesses** for each **Home** that shares the **Common Parts** will be added together. If the building is for multiple occupation, then every 800sq. feet or 74sq. metres of floor area will be treated as one **Home** for this purpose.

The maximum **Excess** that we will apply to a claim relating to **Common Parts** is 10 times the individual **Excess**.

Part C Home damage cover

What NHBC will pay for

A The **Cost**, above the **Excess**, of putting right any actual physical **Damage** caused by a **Defect** in any of the following parts of a house, bungalow, maisonette, flat, or other building on the **Development**:

- Foundations
- Load-bearing walls
- Non load-bearing partition walls
- Wet-applied wall plaster
- External render and external vertical tile hanging
- Load-bearing parts of the roof
- Roof coverings
- Ceilings
- Load-bearing parts of the floors
- Staircases and internal floor decking and screeds where these fail to support normal loads
- Retaining walls necessary for the structural stability of the house, bungalow, maisonette, flat, garage or other building on the **Development**
- Double- or triple-glazing panes to external windows and doors
- Below-ground drainage.

B The **Cost** of putting right any **Defect** in a flue or chimney which causes a present or imminent danger to the physical health and safety of anyone normally living in the **Home**.

C Any reasonable costs incurred, by prior agreement with us, for removal, storage, loss of rent and appropriate alternative accommodation if anyone normally living in the **Home** has to move out so that work can be done.

What NHBC will not pay for

Any claim under A where the **Cost** of repair is less than the **Excess** for each and every item.

Anything which was, or which could have been, reported to the **Contractor** during the Contractor's repair cover.

Claims relating to:

- shrinkage, thermal movement or movement between different types of materials.
- cosmetic damage, such as minor cracking, spalling or mortar erosion to brickwork, which does not impair the structural stability or weather tightness of the **Home** or which only affects decorations.
- double- or triple-glazing panes in converted properties unless they were newly installed at the time of conversion.
- ceilings which are not in an enclosed part of a **Home** e.g. balcony ceilings.
- water entry, dampness or condensation to underground garages, where the structural integrity of the garage is not affected.
- sound transmission of any type.
- any change in the colour or texture of, or any staining to, any external finish.
- replacement of any solar roof tiles or panels solely due to failure to generate heat or electricity.

Anything listed in the **General Exclusions on the inside front cover**.

Part D Cover for contaminated land

This part of the cover tells you what NHBC will do if action is taken against you because of contamination that existed at the date of the **Insurance Certificate**.

If there are one or more substances in, on or under **The Land** which results, or could reasonably be expected to result in your being served with a **Statutory Notice**, then we will, at our option, do one of the things shown in the green panel. We will not do the things shown in the blue panel.

Period of cover

This period of cover starts two years after the date shown on the **Insurance Certificate** and ends 10 years after the date shown on the **Insurance Certificate**.

Financial limits

The most we will pay for all claims for contaminated land relating to the **Development** is the **Maximum Insured Value** or £20 million, whichever is less.

The financial limit will be increased from the date of the **Insurance Certificate** in line with the Royal Institution of Chartered Surveyors' House Re-building Cost Index or, if less, by 10% compound per year. If we accept a claim, the cost of the claim will be deducted from the financial limit. The balance will then continue to be increased as above.

The most we will pay for alternative accommodation, loss of rent and removal and storage is 10% of the financial limit at the time of the claim.

What NHBC will pay for

At our option we will:

- pay the **Cost** of treating or isolating or removing those substances from **The Land** in a controlled manner in accordance with the requirements of the **Statutory Notice**;

OR

- arrange for the work referred to above to be carried out at our own expense.

NHBC will also pay any reasonable costs incurred, by prior agreement with us, for removal, storage, loss of rent and appropriate alternative accommodation if anyone normally living in the **Home** has to move out so that work can be done.

What NHBC will not pay for

Meet any other liability under this Section for any other losses, damages, or expenses of any type, whatever their cause.

Meet any costs, losses, expenses or damages for:

- **Blight**.
- breach of any covenant, condition or stipulation imposed on the **First Owner** for the purpose of controlling any contaminating substances present in, on or under **The Land**.
- contamination which first occurs after the date of the **Insurance Certificate**.
- any criminal penalties arising out of or connected with contamination in, on or under **The Land**.
- contamination that migrates on to **The Land**.
- contamination that migrates from **The Land**.
- contamination that could not have resulted in the issue of a **Statutory Notice** under legislation or Government guidance in force at the date of the **Insurance Certificate**.

Anything listed in the **General Exclusions** on the inside front cover.

Part E Additional cover for building control

This part of the cover only applies if NHBC Building Control Services Limited or an Approved Inspector registered with NHBC carried out building control. The **Insurance Certificate** will show if this applies to your policy.

We will either pay for the items in the green panel or, at our option, arrange for the necessary work to be carried out at our expense. We will not pay for the items in the blue panel.

Period of cover

This period of cover starts two years after the date shown on the **Insurance Certificate** and ends 10 years after the date shown on the **Insurance Certificate**.

Financial limits

We will pay up to the original cost of the work covered by the Building Control Final Certificate.

The financial limit will be increased from the date of the **Insurance Certificate** in line with the Royal Institution of Chartered Surveyors' House Re-building Cost Index or, if less, by 10% compound per year. If we accept a claim, the cost of the claim will be deducted from the financial limit. The balance will then continue to be increased as above.

The most we will pay for alternative accommodation, loss of rent and removal and storage is 10% of the financial limit at the time of the claim.

What NHBC will pay for

Repairs needed where there is a present or imminent danger to the physical health and safety of the occupants of the **Home** because it does not comply with the requirements of the Building Regulations that applied to the work at the time of construction or conversion in relation to the following specified Building Regulations:

- Structure
- Fire safety
- Site preparation and resistance to moisture
- Hygiene
- Drainage and waste disposal
- Heat-producing appliances
- Protection from falling, collision and impact
- Glazing – safety in relation to impact, opening and cleaning

Any reasonable costs incurred, by prior agreement with us, for removal, storage, loss of rent and appropriate alternative accommodation if anyone normally living in the **Home** has to move out so that work can be done.

What NHBC will not pay for

Anything covered by NHBC under another part of this policy.

Anything which was, or which could have been, reported to the **Contractor** during the Contractor's repair cover.

Any claim in respect of site preparation and resistance to moisture, relating to ground that is outside the foundations of the house, bungalow, maisonette, flat or its garage, or other building referred to in the **Quotation**.

Anything listed in the **General Exclusions on the inside front cover**.

Options

These options will only apply if they were included on the **Quotation**, and the additional premium has been paid to and accepted by NHBC.

Option 1 – Insolvency cover before practical completion

We will either pay for the items in the green panel below, or, at our option, arrange for the necessary work to be carried out. We will not pay for the items in the blue panel.

Period of cover

This starts on the date that the premium is received in full and accepted by NHBC and ends on the date of the **Insurance Certificate**.

Financial limits

We will pay up to a total of 10% of the original **Contract Price**.

What NHBC will pay for

If, due to their insolvency or fraud, the **Contractor** does not complete the work defined in the **Building Contract**, we will, at our option, pay either:

- the amount above the **Contract Price**, including professional fees, needed to substantially complete the work defined in the **Building Contract** (including any additional insurance or inspection charges payable to NHBC);

OR

- any amount paid to the **Contractor** in accordance with the **Building Contract** which cannot be recovered from them.

In addition, we will pay the **Cost** of reasonable precautions to secure the work defined in the **Building Contract** against unauthorised entry, theft and vandalism until work resumes.

What NHBC will not pay for

Anything not included in the original **Building Contract** with the **Contractor**.

Any amount paid to the **Contractor** over and above that correctly due under the **Building Contract**.

Anything for which you have held back retention money. If you have done so, we will be entitled to deduct this amount from the sum we would otherwise pay. If we carry out the work, you must pay the retention to us before work starts.

Anything listed in the **General Exclusions** on the inside front cover.

Options

Option 2 - Professional fees

Period of cover

The cover under this Option starts on the date of the **Insurance Certificate**, and ends 10 years later or if Option 3 has been chosen 12 years later.

Financial limit

The most we will pay for professional fees is 10% of the **Cost** of the remedial work necessary in connection with a valid claim to NHBC.

What NHBC will pay for

Reasonable professional fees incurred by prior agreement with us in connection with a valid claim to NHBC.

What NHBC will not pay for

Professional fees in excess of the fee scales of the appropriate professional body.

Anything listed in the **General Exclusions** on the inside front cover.

Option 3 - Extended period of cover

Period of cover

This Option extends the Home damage cover and Option 2 (if chosen) to 12 years from the date of the **Insurance Certificate**.

Options

General conditions

- 1 If we accept any claim for which you could recover compensation from some other party, you must, at our expense, do whatever we may reasonably require:
 - a to recover compensation from that party for our benefit; and/or
 - b to enable us to enforce any rights you may have to that compensation by taking over your claim against that other party or in any other way.
- 2 You must take all reasonable steps to reduce damage. We will not pay for any work or other costs resulting from your failure to do this.
- 3 You must provide at our request any information that we may reasonably require to enable us to assess your claim.

War and terrorism exclusions

Neither NHBC nor the Contractor is liable for loss, damage, costs or expense directly or indirectly caused by, resulting from, or in connection with:

- 1 war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, use of military or usurped power or confiscation, nationalisation, requisition or destruction of or damage to property by or under the order of any government or public or local authority; or
- 2 an act of terrorism* - regardless of the timing of another contributing cause or event; or
action taken to control, prevent or suppress an act of terrorism*; or
action in any way relating to an act of terrorism*.

If you claim and we decide that this exclusion means the insurance does not cover a particular instance of loss or damage or some particular costs or expenses, then it would be for you to prove the contrary.

*In this exclusion, an 'act of terrorism' means an act - including force, violence or threat by a person or group whether acting alone or on behalf of, or in connection with, an organisation or government - that is committed for political, religious, ideological or similar purposes including the intention to influence a government or to put people in fear.

Governing law

The law of the country in which the **Development** is situated will apply to **Buildmark Choice**. The courts of that country will have exclusive jurisdiction.

The Financial Services Compensation Scheme (FSCS)

NHBC is a member of the FSCS. You may be entitled to compensation from this scheme in the unlikely event that we cannot meet our obligations. Further information about the Financial Services Compensation Scheme is available on the schemes website (www.fscs.org.uk) or by contacting:

Financial Services Compensation Scheme
10th Floor
Beaufort House
15 St Botolph Street
London
EC3A 7QU
Tel: 0800 678 1100

Complaints and disputes procedures

At **NHBC** we pride ourselves on the service we give our customers.

If you are not satisfied with the way we handle your request for assistance or your claim, please contact the Consumer Affairs Manager at NHBC House, Davy Avenue, Knowlhill, Milton Keynes, Bucks MK5 8FP.

The Consumer Affairs Manager will arrange for your concerns to be assessed by a member of the consumer affairs team, who will provide a written response to you. If you remain dissatisfied after a member of the customer liaison team has reviewed your concerns other options are available.

Complaints against NHBC

The Financial Ombudsman Service (FOS)

Private homeowners may directly request the Financial Ombudsman to review our handling of the claim. Although this service is not available to Registered Social Landlords or Contractors, Registered Social Landlords may forward a complaint on behalf of private homeowners in shared ownership schemes. The address of the FOS is:

The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR
Tel: 0800 023 4567
www.financial-ombudsman.org.uk

This independent organisation will inform the homeowner of its finding following investigation. We must accept that finding but the homeowner need not.

Disputes with the Contractor

You may have a statutory right to adjudication of a dispute under the Housing Grants, Regeneration and Construction Act 1996.

Other options for resolving disputes with NHBC or the Contractor

The following notes show some alternatives for resolving different types of disputes. You may wish to seek advice about the most suitable method to meet your specific needs.

Arbitration

Arbitration has the advantage of being generally quicker than court actions and can deal with any matters, provided both parties agree. In Scotland, arbitrators are called arbiters.

An arbitrator's award is legally binding and can be enforced in the same way as a court judgement. However, as in court proceedings, one party may have to pay the costs and arbitrator's fees. Further details are available free of charge from the IDRS Ltd who will appoint an arbitrator upon your application. Their address is:

IDRS Ltd

International Dispute Resolution Centre

70 Fleet Street

London

EC4Y 1EU

Tel: 020 7520 3800

Small Claims Court

The Small Claims Court may be suitable for resolving small disputes where the amount falls below a specified level. It is quicker than other forms of court action and the proceedings are less formal. Details are available from any County Court office or, in Scotland, the Sheriff Clerk's office, and from Citizens Advice Bureaux.

Other courts

The courts may be suitable for resolving claims about contractual, financial and boundary disputes, as well as disputes about standards of workmanship, if there is significant cost and complexity. You should seek advice from a solicitor or Citizens Advice Bureau.

Alternative dispute resolution (ADR)

Many forms of ADR are available to help resolve different types of disputes. These schemes are often informal and may be used without legal representation.

Notes



NHBC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

This leaflet has been printed on material which is produced from well-managed forests and is fully recyclable and biodegradable, ECF (elemental chlorine free) and is made to ISO 14001 Environmental Certification.



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