

BLP

A Handbook for...
New Homeowners



BUILDING
DEFECTS
INSURANCE

Your new home comes with
a **BLPSECURE** warranty*.

This handbook is designed
to help you understand the
insurance product. It also
offers some basic advice on
maintaining your new home.

You should be aware of the following important items:

- a) BLP is an underwriting agency that arranges insurance contracts, and is authorised and regulated by the Financial Services Authority
- b) BLP has a Technical Review Team, which will have carried out an assessment of your property prior to completion
- c) The insurer is Allianz Global Corporate & Specialty AG, UK Branch, part of the AA rated Allianz Group
- d) The **BLPSECURE** warranty is an insurance policy offering cover for certain structural defects, subject to certain terms and conditions
- e) Your insurance policy may have been extended to include additional areas of cover. The Schedule to your insurance policy will tell you whether the cover has been so extended
- f) Your insurance policy will be for a period of 10 or 12 years from the date of the first legal completion, or in Scotland the date of entry on the Premises. The Schedule will tell you the cover period
- g) The **BLPSECURE** Policy stays with the property for the cover period, whether the property changes hands during that time or not. At the end of the cover period, the policy will expire.

*When we use the term "warranty", we are referring to an insurance policy that covers certain risks of defects occurring in a property

You may find the checklist overleaf useful when “snagging” the property, but it is only a guide and should not be considered an exhaustive check of all relevant areas.



Checklist

ITEM	Y/N	OBSERVATIONS
Generally		
Have all builders' materials and rubbish been removed from the home and garden?		
Is the home and garden clean and tidy?		
Inside your home		
Decorations		
Is the plasterwork smooth and neatly finished around sockets, switches, pipes, etc?		
Are plasterboard joints and nail fixings invisible?		
Is the decoration throughout the home complete and to a consistently acceptable standard?		
Flooring		
Are you happy that the timber floors don't creak?		
Has sheet flooring been laid level and is it free of bubbling or unevenness beneath the covering that might cause premature failure?		
Is floor tiling fully adhered (i.e. sounding hollow if tapped) and fully grouted?		
Wall tiling		
Is wall tiling fully adhered (i.e. sounding hollow if tapped) and fully grouted?		
Has a flexible sealant been provided at corners and junctions with shower trays, baths, basins and kitchen units?		
Kitchens and bathrooms		
Are all kitchen units and appliances clean and undamaged?		
Are all the sanitary fittings clean and undamaged?		
Is the water flow to taps, showers and appliances satisfactory?		
Are any leaks evident beneath sinks, sanitary-ware and appliances? Check waste pipes for leaks also.		
Do all doors and drawers to kitchen units operate correctly?		
Are extractor fans fitted and operating?		

ITEM	Y/N	OBSERVATIONS
Windows and doors		
Are keys supplied for all window and door locks?		
Do all locks and handles work and operate freely?		
Do all windows and doors open and shut properly and engage with the weather seals?		
Do self-closing devices fully close the doors after opening?		
Is all glazing crack-free? Are double-glazed units free of condensation between the panes?		
Heating and electrical		
Do all light fittings and socket outlets work?		
Are radiators securely fixed and free of leaks?		
Is exposed horizontal and vertical pipe-work adequately supported? Are the joints leak-free?		
Lofts		
Is the loft space fully insulated?		
Is boarding provided to give access to tanks etc?		
Outside your home		
Decorations		
Are external decorations complete and to a consistently acceptable standard?		
Fences and gates		
Are all fences and gates complete? Are timber or steel parts protected?		
Paths and drives		
Are all paths and drives complete and laid to an even finish?		
Drainage		
Do gutters and downpipes appear securely fixed and complete? Are they leak-free during rainfall?		
Are gullies and inspection chambers free of debris?		
Roof coverings		
Do any tiles or slates appear cracked or loose?		
Are all lead flashings complete and secure?		

Your new home

If you are moving into a brand new home, you would expect the home to have been completed to the agreed standards and specifications. Otherwise, you should have agreed with your builder or developer a schedule of any outstanding tasks, and you may even have retained a small portion of the final payment until they have been satisfactorily completed. As a buyer, the builder or developer has an obligation to deliver what was agreed.

It is, however, quite common for some small items, usually of a more cosmetic nature, to remain outstanding at completion. The usual practice is for these items to appear in a “snagging list”, which is agreed with the builder or developer, who will then put those items right.

During the construction period, BLP’s Technical Consultant will have carried out various checks of your property and also a final inspection, to confirm acceptability for Insurance and to ensure that it is essentially complete. The purpose of these checks is to verify that the building complies with the Building Regulations and construction good practice, and to minimise the likelihood of major defects occurring. However, this is not the same thing as a “snagging” inspection to check that the final quality of the home will meet your expectation; the buyer is the only party who can do that.

We therefore recommend that you undertake a detailed inspection of a new home when you move in, and advise the builder or developer immediately of any concerns you might have. It is your responsibility to make sure that the “snagging” items are fixed.

The first years

A new home requires special care and attention when occupied for the first time and needs to adjust to the demands of family living.

Depending on the method of construction of your new home, the materials used may have high initial moisture contents which can take up to a year, or even longer to dry out.

As the drying out process takes place, it is inevitable that small cracks will occur in plasterwork and woodwork - this is quite normal and nothing to worry about. Your builder or developer is not legally obliged to rectify these cracks so it is important that you do all that you can to minimise the impact of drying out.

The following simple advice should assist in achieving this:

- Use the central heating system as sparingly as possible during the first few weeks of occupation, even if you move in during the winter months. Try to maintain a low even temperature rather than bursts of high temperature.
- Cracks should be left as long as possible before filling to ensure that the shrinkage process has completed.

Another by-product of drying out is excessive moisture in the air. This, together with everyday household activities, may cause condensation to occur on cold surfaces such as windows, doors and external walls.

This can be lessened by:

- Keeping the home as well-ventilated as possible, either by opening windows or ensuring the permanent trickle vents in the windows are left open, even during winter.

- Covering pots and pans when cooking and switching off the kettle after boiling
- Closing kitchen and bathroom doors to prevent the spread of steam
- Wiping away condensation that may form on windows and cills
- Avoiding the use of portable gas or paraffin heating appliances
- Drying clothes outdoors wherever possible.

The appearance of deposits on the external and internal walls is a visible sign of the home drying out; this is caused by natural seepage of salts from the brick or block work. They can be removed internally by brushing or wiping away. Externally, natural wind and rain conditions will usually cause the salts to disappear in time.

Maintaining your home

Regular maintenance of your home is essential to retain the appearance and to ensure long term durability of the components and materials used in the construction.

Key maintenance requirements for various components such as boilers, windows, gutters etc should be detailed in the Health & Safety File that will have been provided by your builder or developer; please contact them if you do not believe this information is available.

Additionally, if your home benefits from **BLPSECUREPLUS** cover, you will find within your insurance documents a schedule of components relating to the construction of your home together with relevant maintenance requirements.

Examples of regular maintenance will include:

- Boilers – annual service and maintenance contract
- Windows (softwood) – redecorate as necessary, typically stain every 3 years or paint every 5 years; lubricate ironmongery when required
- Plastic gutters – replacement of rubber seals as necessary, typically at 15 year intervals; inspect and clean out annually.

If a defect occurs that arises from your failure to carry out reasonable or recommended maintenance, your rights to claim under the **BLPSECURE** cover may be prejudiced. Please refer to your insurance documents for further information.

DIY and alterations

We all want to make our mark on our homes and create a finish to suit our personal taste. This can range from simple decoration, the addition of fixtures and fittings, or more major alteration and extension.

Decoration

After 6 – 9 months (less if walls are dry lined rather than plastered) the drying out process should be complete and it should be safe to redecorate.

Drying out and shrinkage cracks should be filled with a good quality flexible filler.

Care should be taken if you intend to remove paper from a plasterboard partition, as aggressive scraping may damage the surface.

Fixing to walls

Many interior walls within modern homes will be constructed of lightweight timber or metal stud partitioning, faced with plasterboard. Tapping the walls will indicate if this is the case.

For heavy items such as cabinets, bookshelves, etc it will be necessary to locate the studwork behind the plasterboard into which the fixing must be made. Studwork detecting devices are available from DIY stores, which can also detect concealed pipe-work and wiring.

Alterations

Whilst alterations can personalise your home, it is important that these are undertaken with great care to avoid causing damage and invalidating the insurance cover on your home.

Even seemingly lightweight partitions may be providing additional support to the structure of the home. Always seek professional advice prior to removing walls within your home.

Alterations might include:

- Partition removal
- Changes to plumbing, electrical and drainage services
- Replacing windows and doors
- Laying a patio or new paving which may raise external ground levels

Extensions

An extension to your home might include:

- Loft Conversion
- Conservatory
- Garage
- Porch

Any of the above might require planning permission, Building Regulation approval and, possibly, approval from the developer prior to carrying out the works.

You should also advise BLP of any intention to undertake such works, as failure to do so may invalidate the cover. Please refer to your policy documentation for details.

Hazards in your home

Whilst your home will have been designed and built with your health and safety in mind, there are some hazards that can't be avoided. Below are some examples of these and how you can ensure you mitigate against potential harm to yourself and your home.

Gas safety

- Do not seal off vents supplying fresh air to appliances such as boilers
- Always ensure that repairs, maintenance and installation of gas appliances and systems are undertaken by engineers listed on the Gas Safe Register
- Ensure appliances are serviced at least once a year
- Be aware of the location of the gas tap to enable the service to be turned off if you suspect a gas leak

Electrical safety

- Always ensure that alterations to the electrical system are undertaken by an NICEIC certified and approved installer
- Do not overload socket outlets
- Never operate electrical equipment or switches with wet hands
- Do not use portable electrical appliances in the bathroom
- Always connect to the mains with an ELCB (Earth Leakage Circuit Breaker) when using electrical appliances in the garden
- Never tamper with smoke alarms or detectors. These have been provided for your safety, and should be tested regularly as recommended by the manufacturer.

Drilling and nailing into walls and floors

- Always check the location of pipes and cables prior to drilling or fixing into walls and floors. Unprotected cables and pipes may be located just

behind the plaster or plasterboard and beneath the floor decking.

- As a general rule, never drill directly above or below switches and sockets or pipe outlets to appliances or fittings
- Cable and pipe detectors are available from DIY stores.

Using ladders

- If using a ladder for cleaning, decoration or general maintenance, always ensure that the ladder is at a safe angle and that someone is always available at the foot of the ladder
- Always move the ladder regularly rather than stretching out to reach a certain point.

Tree planting

- Both tree planting and tree felling close to the house can cause damage to foundations or drainage systems, particularly in clay soils. Risk of damage is significantly higher if planting within 10m of the house; the safe distance will depend on the type of tree and you should always seek advice from a specialist.

Digging in the garden

- Care should always be taken when digging in the garden as fragile drainage pipes and services may be located at shallow depth.
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The Insurance Documents

The following three documents form the legal contract of insurance:

- **The Certificate of Insurance**
- **The Insurance Policy**
- **The Schedule together with any Endorsements and the Component Life Schedule**

The Certificate of Insurance is the document that confirms that the property has passed a final inspection by BLP's Technical Review Team and is approved for insurance. It is important to check this document to see if there are any specific exclusions from cover that relate particularly to your property (for example if certain parts of the property are not included, or cover has been restricted in any way).

The Insurance Policy contains the definitions and clauses that make up the basic contract of insurance. In there you will find a description of the benefits of the insurance, the general conditions and exclusions, and the duties of the insured.

The Schedule and Endorsements will show the period of the insurance that is relevant to your particular policy, and will also summarise any amounts, including the sum insured, the limit of indemnity, and the excesses.

The Component Life Schedule will show the "lives" assigned to the components. You will only receive a Component Life Schedule if you have the **BLPSECUREPLUS** product. The Policy Schedule will state clearly whether this applies to your Policy.

The legal beneficiary of the insurance contract is usually the owner of the property, and will be named in the Policy Schedule as the "Insured". It is sometimes the case that a mortgage lender will also have their interest noted.

The insurance contract is between the insured and the insurers, who are Allianz Global Corporate & Specialty AG, UK Branch, part of the AA rated Allianz Group. BLP acts as the appointed agent of the insurers.

The Insurance Cover

The BLPSECURE warranty is an insurance policy that is designed to cover you against “structural defects” in the property that were not discovered prior to completion, and that would represent a significant expenditure for a buyer to put right.

It is different from the cover provided under buildings and contents insurance, and it does not provide cover for general wear and tear, condensation, normal shrinkage, snagging items or damage arising from failure to maintain the property.

A “structural defect” is a fault in the design or construction of the load-bearing portions or weatherproofing of the property.

Examples of the load-bearing portions of the property include the foundations, external and internal walls, floor and roof structures.

Examples of the weatherproofing include the outside wall face, windows, doors and the roof covering.

You should refer to the policy document for a full definition.

Also, if you have the benefit of a **BLPSECUREPLUS** policy, cover may be extended for the premature failure of non-structural components in your property.

Examples of non-structural components would include kitchen units, boilers, internal non-load bearing walls, or doors. BLP is the only provider of non-structural component cover in the UK. Additionally your policy may include cover for Health & Safety breaches of the UK Building Regulations, and for Contaminated Land. In the unlikely event of a Statutory Notice being served

on the homeowner by a relevant authority (such as the local authority or the Environment Agency), Contaminated Land cover offers protection from the costs of remediating contamination which may have been present in the land at the time of completion of the property. To understand exactly what protection your BLP product gives, you should refer to the policy documents.

If damage occurs to your property as a result of a defect in design, materials or workmanship in the structural and weatherproofing elements of the property, you can make a claim under the **BLPSECURE** policy.

For there to be a claim under the **BLPSECURE** policy, there has to be a structural defect that wasn't picked up prior to completion of the property but which became evident during the policy period.

The insurance will pay for the costs to “put right” the defect. The insurance does not pay for the damage that flows from a defect. For example, if a defective water-pipe leaked in the property, **BLPSECUREPLUS** would pay to put right the defect in the pipe, but would not pay for water damage; that water damage would form a claim under the home and contents policy.

The policy does not cover “snagging” items: these are the things that you or your surveyor have identified prior to completion of your purchase or once you have taken possession, and which remain the responsibility of the builder or developer to fix.

You also need to be aware of your excess level under the policy. This is likely to be £1,000. We can only pay the amount of your claim over and above the excess.

The “sum insured” is the limit of your defect claims under the BLP**SECURE** policy, and will be the cost of rebuilding your property. This is because the “worst case scenario” is your property failing completely, in which event your remedy will be to have your home rebuilt.

This sum insured will be shown as a value on the Policy Schedule, and will be a different (usually lower) amount than the sale price of your property. This is because the sale price takes into account other items that do not affect the rebuild cost (like the value of the land). You should periodically review the sum insured to ensure that it provides adequate protection. The sum insured is indexed annually in line with the RICS building costs index.

You may also be able to claim for storage or alternative accommodation costs if you have to move out of the property while any work is being carried out to put right a structural defect; the policy will pay up to 10% of the rebuild cost of your property to cover these items.

Making a claim

We hope that you don't need to make a claim under your insurance policy, but we understand that things do occasionally go wrong in any new building, even after rigorous technical inspections.

Claims will be handled by Allianz Global Corporate & Specialty AG, UK Branch, but in the first instance you should contact BLP. We are here to help and will process any valid claim as quickly as possible to minimise any disruption or inconvenience.

In order for us to deal with the claim speedily and fairly, we must be fully aware of the circumstances and also of what action, if any, you propose. You may already have begun investigation into the problem or you may have no idea of the cause.

In particular, you should be aware of the following obligations:

- a) You must give written notice to the insurers as soon as possible, by writing to BLP
- b) You must take all reasonable precautions to prevent damage
- c) You must, within 60 days of the manifestation of the defect or damage, submit in writing to the insurers such details of the claim as are then available
- d) You must supply, or to the extent this is not possible, assist in procuring all reports, certificates, plans, specifications, quantities, information and assistance as may reasonably be required by the insurers.

To notify us of a claim you should call BLP on 020 7204 2424, quoting your policy reference number. You will be asked for a brief summary of the claim or circumstance, and you will be sent a claim form for completion.

Do not worry if you cannot answer all the questions on the form; some may not be relevant to your particular claim.

You should return the completed form to:

Claims Department
BLP
90 Fenchurch Street
London EC3M 4ST

How each claim is actually handled will depend on the individual circumstances. The defect will have to be assessed and an inspection may be undertaken by loss adjusters appointed by the insurers. You may be asked to arrange access to the premises for any inspection or opening up.

Whatever the situation, it is imperative that we are informed as soon as possible. We will do everything we can to help you.

Complaints

Our aim is to get it right, first time, every time. If we make a mistake we will try to put it right promptly.

If you wish to register a complaint about BLP's services, please contact us in writing at:

BLP
90 Fenchurch Street
London EC3M 4ST

or call BLP on 020 7204 2424.

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

If you have a complaint about the insurance policy, or about claims, you should contact the insurer in writing at:

Customer Services - UK Compliance
Allianz Global Corporate & Specialty AG, UK Branch
Allianz House
60 Gracechurch Street
London EC3V 0HR

or call Allianz on 020 3451 3000.

We will always confirm receipt of your complaint within five working days, and will do our best to resolve the problem within four weeks. If we cannot, then we will let you know when an answer may be expected.

If we have not sorted out the situation within eight weeks, we will provide you with information about the Financial Ombudsman Service.

Buying a home is, for many of us, the most significant financial commitment of our lives.

Our aims are to enhance the quality of your purchase and to help you feel secure.

Please contact us if you feel you need our help.

**Visit www.blpinsurance.com
Email info@blpinsurance.com
Call us on 020 7204 2424**