



# NHBC Buildmark

| Your warranty and insurance cover |

Applicable to newly built or converted properties registered with NHBC from 1 October 2005





## Your right to cancel

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

letter      Customer Services  
                 NHBC  
                 Buildmark House  
                 Chiltern Avenue  
                 Amersham  
                 Bucks HP6 5AP

email        CSSupport@nhbc.co.uk

Please quote your Buildmark policy number when cancelling. You should be aware that if you choose to

cancel the policy, no refund of the premium will be paid.

All Buildmark policy documents should be returned to NHBC with the cancellation request.

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, you will still be obliged under your lease or title to contribute to the cost of repairs along with your neighbours.

## Accepting the cover

In 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 Builder becomes insolvent or fails to meet his obligations before completion of the Home, or 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.

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



## Definitions

Leaving this flap open while reading the document will provide easy access to the definitions of key words which are printed in bold type.

# Definitions

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. For clarity, 'you' and 'your' means the First Owner or a later Owner. 'NHBC' 'we' 'our' and 'us' mean the National House-Building Council.

## Builder

The Company or person named on the **Buildmark Offer** document who is responsible for the building or conversion of the Home.

## Buildmark

The document containing the cover provided by NHBC and the Builder.

## Buildmark Offer

The form which contains the offer of cover under Buildmark made by NHBC and the Builder.

## Common Parts

Any of the following for which you are legally obliged to share responsibility for cost and upkeep with the Owners of other Homes:

- a) The parts of a building containing a flat or maisonette;
- b) Any garage, permanent outbuilding, retaining wall, boundary wall, external handrail or balustrade, path, drive, garden area or paved area newly built by the **Builder** at the date of the **Insurance Certificate**.
- c) Any drainage system serving your **Home**.
- d) Any existing garage, permanent outbuilding, retaining wall or boundary wall, that forms part of the **Common Parts** and is sold to the **First Owners** under the original **Contract**.

## Complete, Completion

For a **Home** sold under a **Contract** with the **First Owner** - this means the later of:

- a) the date of legal completion or, in Scotland, date of entry; or
- b) the date NHBC agrees that the **Home** substantially complies with **NHBC's Requirements**.

For a **Home** built under a building contract or occupied by someone other than the **First Owner** before the date of legal completion or, in Scotland, date of entry - this means the date NHBC agrees that the **Home** substantially complies with **NHBC's Requirements**.

## Contract

A legally binding agreement or, in Scotland missive between the **First Owner** and the **Builder** for the purchase, building or conversion of the **Home**.

## Cost

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

## Damage

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

## Defect

A breach of any mandatory **NHBC Requirement** by the **Builder** or anyone employed by him or acting for him. 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.

## First Owner, Owner

The **First Owner** named on the **Buildmark Offer** and any later **Owner**.

You must be (or have contracted to be) the freehold owner of the **Home**, or have a lease of at least 20 years (21 years in Scotland) of the **Home**.

**Owner** includes a mortgagee or heritable creditor in possession of the **Home**.

## Home(s)

The house, bungalow, flat or maisonette referred to in the **Buildmark Offer**, together with any of the following which are included in the original **Contract**:

- a) Any **Common Parts**;
- b) The drainage system serving your **Home** for which you are responsible;
- c) Any new electrical fixed wiring and lighting system, heating system, air conditioning, smoke alarms, waste disposal units or water softening equipment newly installed at the date of the **Insurance Certificate**;
- d) Any garage, permanent outbuilding, retaining wall, boundary wall, external handrail or balustrade, path, drive, garden area or paved area newly built by the **Builder** at the date of the **Insurance Certificate**.
- e) Any existing garage, permanent outbuilding, retaining wall or boundary wall sold to the **First Owner** under the original **Contract**.

**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 c) above or which are necessary to comply with the Building Regulations. In Scotland it does not include any road, footpath or footway.

## Indexed

Increased to allow for the effects of inflation. The figure of £1000 was set on 1 October 2004 and the increase is applied on 1 April each year in line with the Royal Institution of Chartered Surveyors - House Re-building Cost Index. The figure which applies to a claim is the one which was in force when the claim was first notified to NHBC.

## Insurance Certificate

The certificate we issue on **Completion**, which brings sections 2, 3 and 4 of this cover into operation.

## NHBC Requirement(s)

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** or, if applicable, the **Common Parts** is begun; or
- b) When conversion work affecting the **Home** or **Common Parts** is started.

## Original Purchase Price

The amount notified to NHBC in accordance with section 4 of the **Buildmark Offer** by, or on behalf of the **First Owner**.



## General exclusions for claims to NHBC

In common with other insurance policies, Buildmark does not protect the homeowner 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 other insurance policy.
- b Anything excluded by an endorsement by NHBC on the **Insurance Certificate**.
- c Anything affecting or caused by alterations or extensions to the **Home** carried out after the date of the **Insurance Certificate**.
- d Any **Defect** or **Damage** resulting from compliance by the **Builder** with written instructions given by or on behalf of the **First Owner** in respect of design, materials or workmanship.
- 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 your **Home**.
- j Loss of enjoyment, use, income or business opportunity, inconvenience, distress or any other consequential loss.
- k Any professional fees except those reasonably incurred with our specific written consent. (Note - we may in our absolute discretion waive this exclusion if we accept a claim which we had at first rejected).
- l Costs or expenses greater than would have been paid or incurred by a reasonable person in the position of the **Owner** spending his or her own money.
- m Costs that have already been taken into account by NHBC or by the **Builder** 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 solely 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 solely 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.



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# Introduction

## To the Owner

This booklet describes the insurance cover given by NHBC and the **Builder's** obligations for your newly built or converted **Home**. **Please note that this cover is different to that offered under your buildings and contents insurance.**

We strongly recommend that you take a few minutes to read this booklet. If you are not clear about any of the information, please telephone our help desk on 0845 845 6422.

There is useful information on our website - [www.nhbc.co.uk](http://www.nhbc.co.uk) - about NHBC, our insurance cover and our claims and resolution procedures.

Each Section of the **Buildmark** is subject to a number of conditions, exclusions and financial limits, and you should read these with particular care. There are also special provisions for claims on **Common Parts**.

This is an important document. We suggest you keep it and your **Insurance Certificate** (which will be sent separately) in a safe place. If you sell your **Home** within ten years of the start of the cover (this date is printed on the **Insurance Certificate**), you should give this booklet and the **Insurance Certificate** to the new **Owner**.

If you contact us to make a claim or apply to use our Resolution Service, we will ask for your name, address and postcode, and for details of the items of concern. It will be helpful if you state your **Buildmark** number, which is printed on your **Insurance Certificate**.

So far as is permitted by the law of the country where the home is located, the rights and obligations contained in **Buildmark** are for the benefit of anyone who owns the **Home**.

Your rights under the **Buildmark** are in addition to any other contractual, statutory or common law rights you may have against the **Builder**.

## 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.

NHBC registers around 85% of new homes in the UK and around 1.6 million homeowners currently benefit from our 10-year warranty and insurance cover. NHBC has protected over 30% of the existing 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 contact us to make a claim

Please call 0870 241 4329 or fax 0870 241 4330

Alternatively you can write to us at: **NHBC Claims, NHBC House, Davy Avenue, Knowlhill, Milton Keynes, Bucks MK5 8FP**

You can also use our online claims service at [www.nhbc.co.uk](http://www.nhbc.co.uk)

We might 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.

# Section 1 Cover before completion

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

## Period of cover

This part of the cover starts on the date you enter into the **Contract** and ends on the date shown on the **Insurance Certificate**.

## Financial limits

We will pay up to a total of 10% of the **Original Purchase Price** or £100,000 whichever is less.

### What NHBC will pay for

If, due to his insolvency or fraud, the **Builder** does not start the **Home**, we will repay you the amount which you paid him under the **Contract** and which you cannot recover.

If, due to his insolvency or fraud, the **Builder** starts but does not complete the **Home**, we will repay you the amount which you paid him under the **Contract** and which you cannot recover, or pay you the extra cost above the **Original Purchase Price** for work necessary to complete the **Home** substantially in accordance with **NHBC Requirements**.

The **Cost** of any work that we have instructed the **Builder** to do, and which he fails to complete in accordance with **NHBC Requirements** within the time set by NHBC.

### What NHBC will not pay for

Anything not included in the original **Contract** with the **Builder**.

The cost of any work done by others without NHBC's written authorisation.

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

Anything listed in the **General Exclusions** on page 2.

# Section 1 Cover before completion

## How to make a claim - what you must do

Contact NHBC (see page 5), as soon as you believe the **Builder** might not complete the **Home** in accordance with the **Contract**.

Send us any evidence you have that the **Builder** is insolvent, or has acted fraudulently.

Get our written agreement before you take any action to have work carried out on your **Home** by anyone except the **Builder**. See the important note below.

If we ask for them, send us copies of any correspondence, contracts, plans, quotations, receipts and any other documents or information relating to your **Home**.

### Important note

The cover described in Sections 2, 3, 4 and 5 of this policy only comes into operation when your **Home** is **Complete**. Only work done by the **Builder** is insured under these Sections. Therefore if someone other than the **Builder** finishes your **Home**, the cover under Sections 2, 3, 4 and 5 may not apply or will be restricted. Any restriction will be shown on the **Insurance Certificate**.

The cover we can give will depend on the stage of construction reached, and who will be finishing the work.

## Section 2 The first 2 years after completion

### The Builder's obligations

This part of the cover tells you what the **Builder** must do if he is given notice of **Defects** or **Damage** in your **Home**. This notice must be given as soon as possible within the period of cover.

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

### Period of cover

This lasts for 2 years from the date of the **Insurance Certificate**.

There are special provisions for **Common Parts**, which are on page 20.

#### What the Builder is liable for

Within a reasonable time and at his own expense, to put right any **Defect** or **Damage** to your **Home** or its **Common Parts** which is notified to him within this period of the cover.

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

If he is given notice of **Defects** or **Damage** within this period of cover, the **Builder** remains liable as above, even after this period of cover ends.

#### What the Builder 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 by NHBC on the **Insurance Certificate**.

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

Any **Defect** or **Damage** resulting from his compliance with written instructions given by or on behalf of the **First Owner** in respect of design, materials or workmanship.

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.

## Section 2 The first 2 years after completion

### The NHBC Insurance

This part of the cover only applies if the **Builder** does not meet his obligations under Section 2.

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 at our expense. We will not pay for the items in the blue panel.

#### Period of cover

This lasts for 2 years from the date of the **Insurance Certificate**.

There are special provisions for **Common Parts**, which are on page 20.

#### Financial limits

The most we will pay for all claims relating to your **Home** under Sections 2, 3 and 5 together is the **Original Purchase Price** as shown on the **Insurance Certificate** up to a maximum of:

£500,000 for a newly built **Home**; or

£250,000 for a converted **Home**

NHBC's total aggregate liability under any NHBC policies issued in respect of a continuous converted structure is £1 million.

The financial limit will be increased each year in line with the Royal Institution of Chartered Surveyors' House Re-Building Cost Index or, if less, by 12% 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, removals and storage is 10% of the financial limit at the time of the claim.

#### What NHBC will pay for

Any arbitration award or court judgment which you obtain against the **Builder** relating to obligations under Section 2 which he has failed to honour.

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

If the **Builder** is insolvent, the **Cost** of any work which he would otherwise have been liable for under Section 2.

#### What NHBC will not pay for

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

Anything listed in the **General Exclusions** on page 2.

#### Special Condition

If the **Builder** is insolvent, and action is taken against you because of contamination that existed when the **First Owner** purchased the **Home**, you will have the cover for contaminated land on pages 16, 17 and 18 of this document.

## Section 2 The first 2 years after completion

### What you must do if you think there is a problem with your Home

- 1 It is important to inspect your **Home** before and after you move in. The **Builder** is responsible for investigating your complaints and for putting right **Defects** or **Damage**.
- 2 Contact the **Builder** informing him of any items requiring attention as soon as you notice them. 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 2 years.
- 3 If the **Builder** does not deal with your complaint to your satisfaction, contact NHBC (see page 5). We will usually offer our Resolution Service.
- 4 Tell us if the **Builder** is insolvent and give us the opportunity to inspect your **Home**.
- 5 If we ask for them, send us copies of any correspondence, contracts, plans, quotations, receipts and any other documents or information relating to your **Home**.

## Section 2 The first 2 years after completion

### The Resolution Service

If there is a disagreement about the **Builder's** obligations, we will usually try to resolve matters under our Resolution Service. See the important note below.

When we offer our Resolution Service, we will investigate any **Defects** or **Damage** which you have complained to the **Builder** about and which he has not put right within a reasonable time. We may need to visit your **Home**. We will then issue a report informing both you and the **Builder** of any work that he must carry out to fulfil his obligations under this Section.

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

If the **Builder** does not carry out the work within the time set and has not agreed a programme with you to complete the work, 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 **Builder**. These are explained in the complaints and disputes procedures on page 21. Please note that the Financial Ombudsman Service cannot assist if you disagree with our Resolution Service report, as it can only deal with complaints about our insurance cover.

We have no liability under this Section unless we have issued a Resolution Service report which you have accepted, or unless the **Builder** is insolvent or has failed to honour an arbitration award or court judgment.

#### Important note

We will normally offer 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 or boundary disputes. In these circumstances we will suggest you consider another type of dispute resolution procedure. See complaints and disputes procedures on pages 21 and 22.

## Section 3 Cover in years 3 to 10

Under this part of the cover, you must tell NHBC of your claim as soon as possible within this period of cover.

We will either pay for the items in the green panel on the next page 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.

There are special provisions for **Common Parts**, which are on page 20.

### Period of cover

This starts 2 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 relating to your **Home** under Sections 2, 3 and 5 together is the **Original Purchase Price** as shown on the **Insurance Certificate** up to a maximum of:

£500,000 for a newly built **Home**; or

£250,000 for a converted **Home**

NHBC's total aggregate liability under any NHBC policies issued in respect of a continuous converted structure is £1 million.

The financial limit will be increased each year in line with the Royal Institution of Chartered Surveyors' House Re-Building Cost Index or, if less, by 12% 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, removals and storage is 10% of the financial limit at the time of the claim.

## Section 3 Cover in years 3 to 10

### What NHBC will pay for

**A** The full **Cost**, if it is more than £1000 **Indexed**, of putting right any actual **Damage** caused by a **Defect** in any of the following parts of the house, bungalow, maisonette or flat and its garage or other permanent outbuilding, or its **Common Parts**:

- 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
- Tile and slate coverings to pitched roofs
- 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, flat or maisonette, its garage or other permanent outbuilding
- Double or triple glazing panes to external windows and doors
- Below-ground drainage for which you are responsible

**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 you incur by prior agreement with us for removal, storage and appropriate alternative accommodation if it is necessary for you or anyone normally living in the **Home** 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 £1000 or less, **Indexed**.

**Damage** caused by shrinkage, thermal movement or movement between different types of materials.

**Damage** which is purely cosmetic, 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.

Any **Defect** in existing double or triple glazing panes in converted properties unless they were newly installed at the time of conversion.

**Damage** resulting from the entry of water to an underground car park.

Anything which was or could have been reported to the **Builder** under Section 2. For these claims, please see Section 2 of the policy on page 8.

Any **Defect** in a ceiling which is not in an enclosed part of the **Home**, eg. balcony ceilings.

Anything listed in the **General Exclusions** on page 2.

### How to make a claim - what you must do

Contact NHBC (see page 5), as soon as the damage has been noticed. Give us the opportunity to inspect before any work is done. If we ask for them, send us copies of any correspondence, contracts, plans, quotations, receipts and any other documents or information relating to your **Home**.

## Section 4 Additional cover in years 3 to 10 if NHBC's subsidiary did the building control

This part of the cover only applies if NHBC Building Control Services Limited has done the building control. The **Insurance Certificate** will show if this applies to your policy. It only applies in England and Wales.

We will either pay for the items in the green panel on the next page 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 starts 2 years after the date shown on the **Insurance Certificate** and Building Control Final Certificate and ends 10 years after the date shown on the **Insurance Certificate** and Building Control Final Certificate.

There are special provisions for **Common Parts**, which are on page 20.

### Financial Limits

The financial limit for a claim under this Section is the original cost of the work covered by the NHBC Building Control Services Limited Final Certificate.

The financial limit will be increased each year in line with the Royal Institution of Chartered Surveyors' House Re-Building Cost Index or, if less, by 12% 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, removals and storage is 10% of the financial limit at the time of the claim.

## Section 4 Additional cover in years 3 to 10 if NHBC's subsidiary did the building control

### 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 the **Home** 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:

- 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 you incur, by prior agreement with us, for removal, storage and appropriate alternative accommodation if it is necessary for you or anyone normally living in the **Home** to move out so that work can be done.

### What NHBC will not pay for

Anything which we will pay for under another Section of this policy.

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.

For claims that were referred to the **Builder** in the first 2 years, please see Section 2 of the policy on page 8.

Anything listed in the **General Exclusions** on page 2.

### How to make a claim - what you must do

Contact NHBC (see page 5), as soon as you think you need to make a claim.

Give us the opportunity to inspect before you arrange for any work to be done.

If we ask for them, send us copies of any correspondence, contracts, plans, quotations, receipts and any other documents or information relating to your **Home**.

## Section 5 Additional cover in years 3 to 10 for contaminated land

This part of the cover only applies if NHBC Building Control Services Ltd has done the Building Control or where it is included by an endorsement on the **Insurance Certificate**.

### Period of cover

This starts 2 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 relating to your **Home** under Sections 2, 3 and 5 together is the **Original Purchase Price** as shown on the **Insurance Certificate** up to a maximum of:

£500,000 for a newly built **Home**; or

£250,000 for a converted **Home**

NHBC's total aggregate liability under any NHBC policies issued in respect of a continuous converted structure is £1 million.

The financial limit will be increased each year in line with the Royal Institution of Chartered Surveyors' House Re-Building Cost Index or, if less, by 12% 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, removals and storage is 10% of the financial limit at the time of the claim.

This part of the cover tells you what NHBC will do if action is taken against you because of contamination that existed when the **First Owner** purchased the **Home**. There are special definitions which apply only to this part of the cover, and these are shown on page 18. They are indicated by the words in bold type.

If there are one or more substances in, on or under **Your Land** which results, or could reasonably be expected to result, in the service on you of a **Statutory Notice**, then NHBC will, solely at its option, do one of the things shown in the green panel. We will not do the things shown in the blue panel (see opposite).

You must notify us in writing as soon as you become aware that contamination in, on or under **Your Land** is suspected or has been found (for example, if a local authority or Government department issues you with a Notification of the Identification of Contaminated Land). If you do not tell us promptly, our liability shown in the green panel on the next page will be limited to those costs and expenses that we would have incurred had we been told promptly.

## Section 5 Additional cover in years 3 to 10 for contaminated land

### What NHBC will do

At its option:

Pay the **Cost** of treating or isolating or removing those substances from **Your Land** in a controlled manner in accordance with the requirements of the **Statutory Notice**

OR

Instead of paying the **Cost** of any work referred to above, arrange for that work to be carried out at its own expense

NHBC will also pay any reasonable costs you incur by prior agreement with us for removal, storage and appropriate alternative accommodation if it is necessary for you or anyone normally living in the **Home** to move out so that work can be done.

### What NHBC will not do

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 which the **First Owner** entered into (for example, not to do anything which would adversely affect or interfere with a precautionary measure, such as a membrane, installed by the **Builder**);
- Contamination which first occurs after **Completion** of the original sale by the **Builder** to the **First Owner**;
- Any criminal penalties arising out of or connected with contamination in, on or under **Your Land**.

Anything listed in the **General Exclusions** on page 2.

### How to make a claim - what you must do

Contact NHBC (see page 5), as soon as you think you need to make a claim.

Give us the opportunity to inspect your **Home** 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 your **Home**.

## Section 5 Additional cover in years 3 to 10 for contaminated land

### Definitions relevant to this Section

#### Blight

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

#### Statutory Notice

A notice served on you by a statutory authority under the provisions of legislation which requires you to carry out remediation of contamination.

#### Your Land

The ground which surrounds and supports your **Home** and which was:

**a** sold together with the **Home** to the **First Owner** at the same time as the original **Contract** was entered into or concluded; or

**b** owned by the **First Owner** when a **Contract** for building the **Home** was entered into;

together with land which you are legally bound to maintain or contribute towards maintaining under the terms of the original **Contract**.

# General Conditions for claims to NHBC

- 1 If we accept any claim for which you could recover compensation from some other person, you must, at our expense, do whatever we may reasonably require:
  - a to recover compensation from that person for our benefit; or
  - b to enable us to enforce any rights you may have to that compensation by taking over your claim against that other person 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 which result solely 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.

## Important note

It is illegal to make a fraudulent claim.

# War and terrorism exclusions

Neither NHBC nor the Builder 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 rights of you, the **Builder**, and NHBC under Buildmark are governed by the law of the country in which the **Home** is situated.

# Common Parts

The following periods of cover, financial limits and conditions apply only if:

- a your **Home** has **Common Parts**; and
- b **Defects** or **Damage** in, or affecting, the **Common Parts** have been notified to NHBC or the **Builder**.

If you are in any doubt, we can inform you what the actual periods of cover are.

## Periods of cover

### Section 1

There is no separate period of cover for **Common Parts**. The period of cover is the same as that defined for your **Home** at the start of Section 1.

### Section 2

The cover in Section 2 starts on the date of the earliest **Insurance Certificate** for a **Home** which shares the relevant **Common Parts**. It ends 3 years from that date, or 2 years from the date of the last **Insurance Certificate** for a **Home** which shares those **Common Parts**, whichever is the earlier.

### Sections 3, 4 and 5

The cover in Sections 3, 4 and 5 starts from the date cover under Section 2 expires. It ends 8 years from that date.

## Financial limits

The most we will pay for any claim relating to **Common Parts** will be the amount that you are legally liable to contribute towards the **Cost** of repairs. Our total liability for your share will not exceed the financial limit of cover for your **Home** in the relevant Section.

**For claims under Section 3A** (see page 13), if your share of the **Cost** of the repair is less than £1000 **Indexed**, NHBC will not pay your share. If your share of the **Cost** of the repair is more than £1000 **Indexed**, NHBC will pay your share in full.

### Example

You are an **Owner** in a block of 10 flats where each **Owner** is legally liable to contribute 1/10 of the **Cost** of repair. If the **Cost** of repair is £5,000, each **Owner** would be liable to contribute £500 so NHBC would not pay your share. If the **Cost** of repair is £20,000, each **Owner** would be liable to contribute £2,000 so NHBC would pay your share in full.

## Special condition

At NHBC's request, you must join with the **Owners** of other **Homes** sharing the relevant **Common Parts** in making a claim. If you do not do so, we will still deduct the amount that you are legally liable to contribute towards the **Cost** of the repairs from the financial limit of cover for your **Home** in the relevant Section.

# 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 write to the Claims Manager at NHBC House, Davy Avenue, Knowlhill, Milton Keynes, Bucks MK5 8FP. He or she will contact you after reviewing your file.

If you are still not satisfied with the review, please write to the General Manager - Claims at the above address.

The General Manager - Claims' own staff will investigate or review your file and will give you a written response.

After this stage, several options are available if you remain dissatisfied or have more complex concerns.

## Complaints against NHBC (excluding the Resolution Service)

### The Financial Ombudsman Service (FOS)

You are entitled to ask the Financial Ombudsman Service to investigate complaints against NHBC relating to our insurance cover. Their address is:

**The Financial Ombudsman Service**  
South Quay Plaza  
183 Marsh Wall  
London E14 9SR  
Tel: 0845 080 1800  
[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

This independent organisation will inform you of its finding following investigation. We must accept that finding. You, however, need not accept it.

If you disagree with our Resolution Service report, the Financial Ombudsman Service will not be able to consider the matter, as this does not form part of our insurance obligations to you. Ways of resolving your dispute with the **Builder** are detailed on the next page.

### The Association of British Insurers

This is an association for insurance companies which produces codes of practice for the industry. It acts as a spokesperson on many issues. Unlike the Financial Ombudsman Service, it has no dispute resolution role but you may find that it can give advice on general insurance matters. Its address is:

**The Association of British Insurers**  
51 Gresham Street  
London, EC2V 7HQ  
Tel: 020 7600 3333

# Complaints and disputes procedures

## Disputes with the Builder

NHBC's Resolution Service is valuable for resolving straightforward disputes about standards of workmanship. The details are on page 11. It is free to **Owners** and is generally quicker than other options.

## Other options for resolving disputes with NHBC or the Builder

The following notes give guidance on ways of resolving different types of disputes. However, you may wish to seek advice about the most suitable method to meet your specific needs.

### Arbitration

Arbitration means that an independent Arbitrator considers the facts of the dispute and decides how it will be settled. In Scotland, Arbitrators are called Arbiters.

Arbitration has the advantage of being generally quicker than court actions and can deal with any matters, provided both parties agree. An Arbitrator's award is legally binding and can be enforced in the same way as a court judgment. 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 Chartered Institute of Arbitrators. If, after receiving details, you wish to proceed, the Institute will appoint an Arbitrator upon your application. Their address is:

**The Chartered Institute of Arbitrators**  
**12 Bloomsbury Square**  
**London**  
**WC1A 2LP**  
**Tel: 020 7421 7444**

### Small Claims Court

The Small Claims Court may be suitable for resolving relatively 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 many Citizens' Advice Bureaux.

### Other courts

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

### Other forms of alternative dispute resolution

There is a wide range of other methods of resolving various types of disputes. Many are informal and are intended to be used without legal representation.

A Citizens' Advice Bureau or your legal adviser should be able to give you further advice on these methods.

# Notes



NHBC

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NHBC is authorised and regulated by the Financial Services Authority