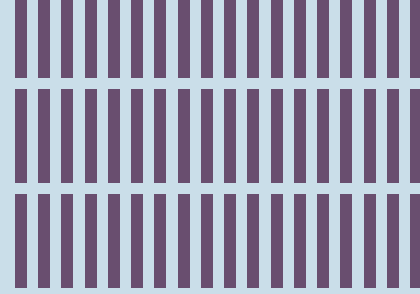


# Buildmark Choice

## Summary



This is a summary of the cover provided by our Buildmark Choice policy. Further terms, conditions and exclusions apply to the cover. These are set out in the policy booklet together with an explanation of the meaning of the key words used in this summary.

### Target market

The Buildmark Choice product is designed for landlords and long leaseholders of homes for social rent, private rental and shared ownership.

### What is the standard cover?

- Builder warranty – first two years of the policy when the builder must put right any defect (and any damage caused by the defect).
- NHBC Guarantee – the first two years of the policy when NHBC guarantees the obligations of the builder under the builder warranty.
- Insurance cover – from the end of the builder warranty period, we provide a further eight years of insurance cover. We will either (at our choosing) cash settle or arrange to put right damage resulting from a defect caused by the builder failing to meet the NHBC requirements when building certain parts of the home. Cover also includes loss of rent and contaminated land, where we will treat, isolate or remove contamination from the land in line with a statutory notice, or pay what it would cost us to have the work done.

### Examples of what is covered in the insurance cover period:

- water ingress through the roof or walls (due to a defect in certain parts of the home)
- damage resulting from a defect in the foundations, load-bearing walls and floors and roofs
- damage resulting from a defect in the drainage below ground that serves the home for which the policyholder is legally responsible
- damage resulting from a defect in staircases inside of the home.

### Example exclusions from the insurance cover period:

- sound transmission
- water entering an underground garage or non-habitable basement where structural stability is unaffected
- cosmetic damage such as staining to finishes or cracking that does not weaken the structural stability of the home or mean it is not weather tight
- claims with a repair value below the minimum claim value (MCV), explained in more detail on page three.

\*Please refer to the policy wording for a full terms and exclusions.

## Additional options for an extra premium

### Professional fees overview

- We provide cover for payments made to independent professional experts engaged by the policyholder to support their claim, provided the claim is valid and provided we have given prior written consent.
- Policy limit is £50,000 or 10% of the overall financial limit (whichever is less).
- The professional experts accepted as listed in the policy are shown opposite.

### Exclusions from professional fees cover

- Professional fees in excess of the fee scales of the appropriate professional body.
- Fees that have been incurred without our prior agreement.
- Fees for solicitors, barristers or other legal advisers.

### Insolvency cover overview

- Requests for insolvency cover are referred to our in-house underwriters and are subject (to an additional fee) to a commercial and financial assessment. We can approve or refuse to provide this cover at our discretion.
- If, as a result of the builder becoming insolvent prior to the completion of the home(s), a policyholder has to pay any more for the home(s) to be completed over and above the contract price, we will indemnify the policyholder up to the limit shown, for the reasonable amount, over that stipulated in the original contract, and up to the policy limit. The cover only includes for the cost to complete the home(s) as defined within the policy and is limited to the specifications in the original contract and to ensure compliance with NHBC requirements.
- Alternatively, if NHBC decides it is appropriate, and the policyholder does not own the home(s) and land at the time the builder becomes insolvent and therefore cannot complete the home(s), NHBC will pay the amount the policyholder paid to the builder under the contract (up to the policy limit) which cannot be recovered from the builder or a third party.

### Exclusions from insolvency cover:

- items covered by a retention
- sums where a performance bond or parent company guarantee is held.

### Additional two years insurance cover

- Provides an extra two years' insurance cover (excluding contaminated land but including the professional fees cover if selected) for an additional fee.

### Contract price insured

- The total contract price of the development is the amount the builder receives to build all plots to be registered with NHBC for Buildmark Choice. The financial limit of insolvency cover will be a maximum of 10% of this value.

#### Professional experts accepted:

- Architects and Surveying Institute
- Chartered Association of Building Engineers
- Association for Specialist Fire Protection
- The British Approvals Service for Cables
- Chartered Institute of Architectural Technologists
- The Chartered Institute of Building
- The Institution of Engineering and Technology
- Institution of Lighting Professionals
- Institution of Civil Engineering Surveyors
- Town and Country Planning Association
- Royal Institution of Chartered Surveyors
- Royal Institute of British Architects
- The Institute of Structural Engineers
- Chartered Institute of Building Services Engineers

## Net development cost

- The net development cost is the balance of the contract price after deducting the cost of demolition and site clearance, adoptable roads and sewers, landscaping, swimming pools, lifts, escalators, utility charges, temporary works, fees, preliminaries, and off site works. This figure should be inclusive of VAT.
- The net development cost will be the maximum financial limit for the development registered for Buildmark Choice.
- Each plot will have an individual financial limit which is a portion of the net development cost. The floor area of the plot will determine how large a portion is assigned to each plot and, therefore, **the portion is not based on the re-build cost of the individual plot.**

## Minimum claim value

- We operate a MCV in the insurance period of the policy which means that if the repair cost (to us) of a claim is at least the MCV, we will do the work or pay the cost in full, and the beneficiary will not have to make any financial contribution. If the repair cost is below the MCV, we will reject the claim.
- If we confirm the defect is covered under the policy and the cost to us of the repair is below the MCV, the work will not be covered. However, if the cost to us of the repair is at least the MCV, we will pay the reasonable costs (up to the relevant financial limit) or do the work. The policyholder will not have to pay anything towards the work.

## Customer Services and policy documents

- At registration the policyholder and the builder will each receive a Buildmark Choice Confirmation of Acceptance and Registration of Project document which confirms the cover included in the policy subject to a satisfactory final inspection.
- At completion of the build/final inspection, the insurance certificates will be issued online to the builder and posted to the housing provider or private landlord.
- Please refer to the Buildmark Choice policy booklet for full details on all sections of cover. Some sections of cover may not be available to a policyholder. The policy schedule attached to the insurance certificate confirms which sections of cover are applicable for the plots listed.
- The housing provider/landlord must provide shared owners with a copy of the policy documents before they agree to enter into the shared ownership lease.
- If a shared owner staircases to 100% of the home, they become the sole beneficiary of the policy.

