NHBC Buildmark

Your warranty and insurance cover

Applicable to newly built or converted properties registered with NHBC from 1 October 2004
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.

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.

<table>
<thead>
<tr>
<th>NHBC will not be liable for</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a</strong> Any cost, loss or liability which is provided for by legislation or which is covered by any other insurance policy.</td>
</tr>
<tr>
<td><strong>b</strong> Anything excluded by an endorsement by NHBC on the Insurance Certificate.</td>
</tr>
<tr>
<td><strong>c</strong> Anything affecting or caused by alterations or extensions to the Home carried out after the date of the Insurance Certificate.</td>
</tr>
<tr>
<td><strong>d</strong> 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.</td>
</tr>
<tr>
<td><strong>e</strong> Wear and tear.</td>
</tr>
<tr>
<td><strong>f</strong> Deterioration caused by neglect or failure to carry out normal or specific maintenance.</td>
</tr>
<tr>
<td><strong>g</strong> Dampness, condensation or shrinkage not caused by a Defect.</td>
</tr>
<tr>
<td><strong>h</strong> Any Defect or Damage caused by the installation or presence of a swimming pool or lift.</td>
</tr>
<tr>
<td><strong>i</strong> Any reduction in value or loss of value of your Home.</td>
</tr>
<tr>
<td><strong>j</strong> Loss of enjoyment, use, income or business opportunity, inconvenience, distress or any other consequential loss.</td>
</tr>
<tr>
<td><strong>k</strong> 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).</td>
</tr>
<tr>
<td><strong>l</strong> 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.</td>
</tr>
<tr>
<td><strong>m</strong> 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.</td>
</tr>
<tr>
<td><strong>n</strong> Costs that are attributable to your unreasonable delay in pursuing a claim.</td>
</tr>
<tr>
<td><strong>o</strong> 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.</td>
</tr>
<tr>
<td><strong>p</strong> 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.</td>
</tr>
<tr>
<td><strong>q</strong> Loss or damage resulting solely from flooding from whatever source or from a change in the water table level.</td>
</tr>
<tr>
<td><strong>r</strong> Death, bodily injury, disease, illness or injury to mental health.</td>
</tr>
</tbody>
</table>

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

Definitions 1
General Exclusions for claims to NHBC 2
Introduction - How to contact us to make a claim 5
Section 1 Cover before completion 6
NHBC’s insurance cover if the builder fails to complete your home
Section 2 The first 2 years after completion 8
The builder’s obligations in the first 2 years and NHBC’s Resolution Service and insurance cover if the builder does not meet his obligations
Section 3 Cover in years 3 to 10 12
NHBC’s insurance cover for specified defects first reported in years 3 to 10 which cost more than £1000 (indexed) to put right
Section 4 Additional cover in years 3 to 10 if NHBC’s subsidiary did the building control 14
NHBC’s insurance cover for breaches of specified Building Regulations causing a danger to health and safety
Section 5 Additional cover in years 3 to 10 for contaminated land 16
NHBC’s insurance cover if action is taken against you because your land is contaminated
General conditions for claims to NHBC 19
War and terrorism exclusions
Governing law
Common Parts 20
The financial limits, periods of cover and a special condition relating to common parts
Complaints and disputes procedures 21
What to do if you have a complaint or dispute with NHBC or the builder
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 - 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 was established over sixty five years ago as the regulatory and standards setting body for the UK house-building industry. We are an independent body governed by representatives of organisations interested in improving the standard of house building - including consumer groups, house builders, mortgage lenders and professional bodies. Our aim is to ensure that the interests of everyone concerned with new homes are recognised. We do not exist to serve any one particular organisation or group.

NHBC is also an insurance company authorised and regulated by the Financial Services Authority with substantial reserves.

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, Ash House, Breckland, Linford Wood, Milton Keynes MK14 6ET

You can also use our online claims service at www.nhbc.co.uk

We might ask you to pay a fee before investigating your claim. This will be refunded if your claim is valid or if we think that it was reasonable for the claim to have been made.
**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 and 4 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.
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 physical 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
- Floor decking, screeds and staircases, 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.

for definitions of bold words, please open the flap on the inside front cover
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.

for definitions of bold words, please open the flap on the inside front cover
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.

for definitions of bold words, please open the flap on the inside front cover
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
OR
If it is uneconomic to treat, isolate or remove those substances, purchase the Home from you at Open Market Value and pay your reasonable expenses (including legal and estate agents’ fees and removal costs) for moving to a new home.
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.

***Open Market Value***
The price at which you would reasonably have expected to sell your **Home** on the open market if there had been no contamination. That price will be assessed separately by 3 qualified valuers, one chosen by you, one by NHBC and one jointly. If the highest valuation is less than 15% above the lowest, the **Open Market Value** will be the average of the 3 valuations. If the difference is greater than 15%, a fourth valuation will be obtained from a qualified valuer chosen jointly by you and NHBC; the highest and lowest valuations will then be ignored and the **Open Market Value** will be the average of the remaining 2 valuations. The costs of all the valuers will be paid by NHBC.

***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.

<table>
<thead>
<tr>
<th>Important note</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is illegal to make a fraudulent claim.</td>
</tr>
</tbody>
</table>

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 Ash House, Breckland, Linford Wood, Milton Keynes, MK14 6ET. 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

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

for definitions of bold words, please open the flap on the inside front cover
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