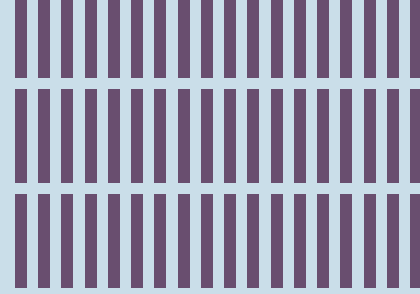


Buildmark Choice

Summary



This is a summary of the cover provided by the 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 (the freeholder or the head leaseholder) and long leaseholders of homes for social rent, private rental, and shared ownership.

What is the standard cover?

- Builder Warranty – 0-2 years of the policy – the builder must put right any defect (and any physical damage caused by the defect).
- Builder Guarantee – 0-2 years of the policy – NHBC guarantees the obligations of the builder under the builder warranty.
- Insurance cover – 3-10 years of the policy – NHBC will either (at NHBC's choosing) cash settle or arrange to put right physical damage resulting from a defect caused by the builder failing to meet the NHBC requirements when building specific parts of the home. Cover also includes loss of rent and contaminated land cover.

Examples of what is covered in insurance cover years 3-10:

- Water ingress through the roof or walls (due to a defect in specific parts of the home)
- Damage resulting from a defect in the foundations, load-bearing walls & floors, 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 of insurance cover years 3-10:

- 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

*Please refer to the policy documents for a full list of 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 here.

Exclusions of 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 inhouse Underwriters and are subject 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, NHBC will indemnify the policyholder, provided it is a reasonable amount and up to the policy limit. Note that 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.
- Policy limit is normally 10% of the original contract sum (see below explanation of the contract sum). Where the original contract relates to more than one plot, the policy limit reduces proportionally based on the number of plots already completed.
- Insolvency cover is not designed to be deposit, or stage payment, or land transfer protection.

Exclusions of insolvency cover:

- Items covered by a retention
- Sums where a performance bond is held

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

Additional 2 years insurance cover

- Provides an extra two years' insurance cover (3-12 years) (excluding contaminated land but including the professional fees cover if selected).

Contract sum insured

- The total contract value/price of the scheme is the amount, the builder receives to build all plots to be registered for Buildmark Choice. The financial limit of Insolvency Cover will be a maximum of 10% of this value.

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.
- Each plot will have an individual sum insured 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.

Minimum claim value

- We operate a MCV in the insurance years of the policy (years 3-10 or 3-12) which means that if the repair cost (to us) of a claim exceeds 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.

Customer Services/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.
- At completion of the build/final inspection the Insurance Certificates will be issued to the builder and posted to the policyholder.
- 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 confirms which sections of cover are applicable for the plots listed.