

What is building defects insurance and what does it cover?

Building defects insurance is designed to cover the homeowner against critical structural defects in the property that were not discovered prior to completion; defects that may be expensive to put right. It is similar to new homes warranty products but differs in that a buyer can be compensated for the specific benefits set out in the insurance policy without necessarily requiring the builder to fix the defect first. And unlike other products it also covers the first two years (except for water ingress in year one).

The **BLPSECURE** policy commences on legal completion of the sale and in the case of your property runs for 10 years. You can claim directly against the Insurer during the policy period for damage arising as a result of structural defect if the amount of the claim exceeds the excess on the policy.

A "structural defect" is a fault in the design or construction of the load-bearing portions or waterproofing of the property. Examples of the load-bearing portions include the foundations, external and internal load-bearing walls, floors and roof structures. Examples of the waterproofing include the outside wall face, windows, external doors and the roof covering.

The insurance will pay for the costs to "put right" the defect. It is different from the cover provided under your building and contents insurance – and it does not provide cover for general wear and tear, condensation or normal shrinkage.

You may also be able to claim for reasonable storage or alternative accommodation costs if you have to move out of the property while any work is being carried out to put right a structural defect.

The "Sum Insured" – the limit of cover under the policy – will be the cost of rebuilding the property, indexed annually in line with the Royal Institute of Chartered Surveyors' building costs index.

Who is BLP?

BLP (trading name of 'Building LifePlans Ltd') is an authorised insurance intermediary based in the City of London and acts as an underwriting agent of Allianz Global Corporate & Specialty AG, UK Branch.

BLP is authorised and regulated by the Financial Services Authority. BLP is owned by Thomas Miller, a world class insurance services business at the forefront of the insurance industry for 125 years.



Building Defects Insurance
BLPSECURE

Information for
Homebuyers



Underwritten by



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10 year building defects insurance

for residential, commercial and mixed use schemes

BLP
IS MANAGED
BY **THOMAS
MILLER**





**BLP is proud to
be working with
Wycliffe Estates Ltd.**

What will this insurance cost me?

As a prospective buyer of the property, you are not being asked to buy building defects insurance or to agree to any terms or conditions of insurance. If you buy the property, the benefit of the insurance (once taken out) will be assigned to you without the need for you to agree or pay for the insurance.

Wycliffe Estates Ltd is in the process of arranging with BLP for these properties to benefit from the **BLPSECURE** product. In the course of those arrangements, BLP will carry out an independent technical review, to ensure that the risks of defects are minimised and that the properties are suitable for insurance.

What is not covered?

The policy does not cover “snagging” items. These are the items that you, the buyer or your surveyor, has identified prior to completion of the purchase, or once you have taken possession. You should always carry out a “snagging” inspection to check that the final quality of the home meets your expectations – you are the only person who can do that and who can seek the agreement of the developer to rectify them.

There will be a £1,000 Excess under the policy, so the insurance will only pay for valid claims over and above this amount.

Where water has leaked into the house from the outside, these defects are excluded from the cover in the first year following legal completion. Such claims would remain the responsibility of the developer to remedy.

The policy will not cover damage arising from failure to maintain the property.

What if I move house?

The insurance policy will stay with the property for the cover period, whether the property changes hands or not. At the end of the 10 years, the policy will expire.



Will my mortgage lender accept BLP's insurance?

BLP products are approved by the majority of UK mortgage lenders and listed as Building LifePlans Ltd in their relevant sections of the Council of Mortgage Lenders' handbook (Part 2, section 6.6.1). If you intend to take out a mortgage to buy your property, your solicitor or conveyancer will want to check that your lender accepts us. They can do this by visiting www.cml.org.uk.