

Insurance & Structural Warranty – getting the right cover in place

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Embarking on a building, conversion or renovation project is an exciting if not somewhat daunting experience at the best of times and there is clearly a considerable amount of planning and preparation to be put in place prior to getting started. Insurance is probably going to be the least exciting of the items on that schedule of tasks but giving it due consideration in plenty of time can literally save thousands of pounds both now and in the future should you need to make a claim.

So what insurance should you be looking to purchase and when? The short answer is it depends on your individual project, but here is a quick overview of some of the areas you need to consider.

Insuring a New Build:

Unless you are using a main contractor and there is a written contract in place between the parties stipulating that the contractor is responsible for the entire project until completed and handed over to you, then you will definitely need to consider Site Insurance and a 10 Year Structural Warranty.

Site Insurance, which is available from self-build specialists, like [Self-Build Zone](#) or Build Store provides cover from the moment you exchange on a plot to the point it's completed. The following provides a bench mark of what can be covered and why you need it – but it's worth remembering that not every insurer provides the same cover and your individual needs may be different.

The Claims service is what you are buying so remember to ask your supplier who is likely be sent to your site following a claim. Is the claims service specific to self-build? Some insurers use general 'in house' loss adjusters who may not have much experience in self-build.

Cover	Insurance Term	Why You Need It
People working directly for you	Employers Liability	A site worker could be injured in serious fall. Your legal defence costs and any subsequent award could run in to millions. It's a legal requirement.
Third Parties and their property	Public Liability	A neighbours property may get damaged or a passerby could be injured.
Works in progress, existing structures	Construction All Risks	Gable ends get blown down. Fire or a collapse of the property being converted. Vandalism following a break in.
Materials	Construction All Risks	Material theft is commonplace, and can be expensive to replace.
Plant, tools & equipment	Construction All Risks	A mini digger is typically valued at around £15,000 and when it's on hire to you it's your responsibility!
Caravan & contents	Construction All Risks	It's your temporary home during the project and caravans are easily damaged in storms.
Personal possessions	Construction all Risks	Watches, cash, cameras etc. Easily lost or damaged on site.
Your employees tools	Construction All Risks	Tool theft – No tools, No work!
Legal help & advice	Legal Expenses	Timber frame not supplied to specification, so you need help and resources to pursue the timber frame supplier legally
You & your immediate family	Personal Accident & Broken Bones	You are in hospital with an injury or worse, you die following an Accident.

10 Year Structural Warranty:

If you are planning to either sell or raise additional capital on a newly developed property that is less than 10 years old you should consider purchasing a 10 year structural warranty as banks and building societies don't like lending on properties that are not covered by an approved warranty like those available from NHBC, Zurich and [Build-Zone](#). A structural warranty covers major damage caused by defects in design, workmanship or the materials used during the project. They rely on regular inspections or Technical Audits being carried out during the course of construction. You should organise a warranty well in advance of the start of construction as insurers will want to inspect the footings, otherwise the premium can escalate quite severely. It's also worth bearing in mind that many warranty providers can carry out Building Control for you (you don't have to use the local authority) at the same time as doing the Technical Audits which can save you a fair bit in fees.

Insuring Renovations, Conversions and Extensions:

Insuring a project that has an element of existing structure involved is not quite so straight. Projects like barn conversions, renovations and extensions all have an existing structure either attached to or forming a part of the main element of a project which needs to be covered in addition to the new works. Most standard home buildings policies will not provide cover while the property is undergoing alteration or renovation and they only provide cover for limited perils anyway – so if you inadvertently have a collapse while knocking a new opening through a wall, it will not be covered.

This is especially true when it comes to extensions. Home insurers tend to assume that you're 'builders' will be fully insured and that any damage caused by them will be recoverable. However the onus is then on you to make sure the right cover is in place. If however you are carrying out the works as a self-builder the home insurer immediately has a problem as they cannot pursue their own policyholder in the event of a loss. Once the insurer is aware of this, it's not unusual for the insurer to decline cover completely. It's best to seek advice from a specialist.

How to get the best deal

- Purchase the cover when you exchange contracts. Waiting until your several months down the line will probably end up costing you more and cover like Legal Expenses may be limited.
- Purchase Site Insurance & Structural Warranty from one provider as a discount may be available.
- Consider the excess level, a higher excess may save you £25 in a premium but will end up costing you £250 more in the event of a claim.
- Longer period policies that convert into Annually Renewable Buildings Insurance are very flexible and can save you money in the longer term.
- Don't buy a shorter term policy unless you are absolutely sure your project won't overrun - A longer term policy will work out cheaper in the end.