

# Self build insurance

## What are the key requirements?

As well as being one of the most rewarding things you will ever attempt, building your own home is also one of life's riskier challenges. That is why you must ensure that you have all the necessary cover. Lucas Fettes & Partners understand the specific issues faced by self build projects and can provide insurance and risk management services to ensure you have the necessary cover in place. We have a professional alliance with the STA to provide its members with relevant, comprehensive, yet competitive policies from insurance companies that are able to underwrite timber frame construction. The insurance covers you need to see you through from start to finish are as follows:

### Latent Defects and Building Warranty Insurance

This is a cover for the property, which commences when you receive planning permission. The insurance policy includes assistance from the insurer's appointed surveyor who can give advice, and review the site ensuring nothing has been overlooked, etc.

Throughout the build the insurer, via the surveyor, visits the build to ensure they are happy with the work done and to ensure it is proceeding well, therefore guaranteeing quality and preventing problems at a later time.

Assistance is available with contracts and procurement issues, and negotiations with the contractor can be carried out on behalf of the employer/owner.

To assist with the financial element of the policy the premium is payable in planned and agreed stages to help the cashflow.

### Contractors' All Risks Insurance

This policy covers various elements and the sections are:

- **Employers' Liability Section**

This is a compulsory insurance requirement by law for any company or person who employs someone.

It protects the employer from being held responsible for a negligent act resulting in an accident to an employee carrying out duties or activities during his employment.

- **Public Liability Section**

This insurance covers injury or damage to a third party as a result of a negligent act from the activities on the build.

Although not compulsory, it is an important cover. If bona fide sub contractors are used they should have their own insurance cover in place, however, in our experience these policies should be vetted properly as we have seen many claims repudiated due to business activities not being disclosed, or certain restrictions such as limited height and depth work.

This is an area where we can provide expert support to STA members and self builders.

- **Contract Works Section**

This section covers the materials being used for the build whilst on site, including transit to and from site, and can be extended to include owned plant, hired in plant and employees' tools.

### Specific Single Performance/Guarantee/Retention Bonds

This is a special financial contract between an insurer backed bondsman who is usually requested to pay 10% of the contract value if the instructed party does not fulfil his contractual requirement.

Having an insurer backed bond assists the employer as it saves the use of the bank's overdraft facility and assists the cash-flow which is critical in the current economical climate.

### Performance Bond Facility for STA members

There is an insurer who is happy to write a bespoke bond facility for the members, which would include the potential to replace one STA member with another if one should become insolvent. This would ensure the quality of the work remains consistent and would be exclusive to STA members.

### Deposits Insurance for STA members

An insurance policy could cover the loss of a deposit if a STA member became insolvent and it may be beneficial to the customer to be supplied with another STA member to complete the work. We have an underwriter who will write this but it will insist on some stringent Risk Management requirements.



## Do you need more information or guidance?

For further information on how we can help, please do not hesitate to contact:

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We are also able to provide household insurance once your build is complete, and a range of financial services.