



Structural Warranties

Do the structural warranties cover your projects? Here is a short guide on how to choose the best underwriting warranties for particular types of developments, from self-builds to large residential or commercial developments.

Structural warranties, also known as building standards indemnity schemes, protects the policyholder against claims for loss or damage caused

by defective design, workmanship or materials like for instance- significant structural damage, defective waterproofing, defective drains, etc. Structural faults can be costly and time-consuming to fix. Whatever your project, make sure you stay protected.

The structural warranty gives the support during every stage of the building project whether it is a new build, conversion or extension. However, not all structural policies provide the same level of protection. Please ensure the level of excess or limits as it may vary significantly between various covers.

Structural warranties protect against defects

normally for ten years from the project completion. Mostly, it has to be bought by the builder before the build starts, but it protects the homeowner from the structural damage that might occur later. However, there are also options available to cover the project during the build phase - so-called a "pre-completion cover" - or even after the completion.

The warranty cover may include:

- Deposit protection in case the builder will become insolvent. Some policies also cover the costs of completing the home if the developer is not able due to insolvency or fraud.



- Defects insurance for the first two years of cover. This protects non-compliance with the warranty provider's technical manual and may include non-structural issues.
- Structural insurance that covers against structural issues after defects period expires.
- Contaminated land option which protects against the cost of removing contamination from the plot
- Building Control Cover in case when building structures were not built in compliance with Building Regulations

Examples of structural elements of the building that might be covered by warranties (subject to particular policy coverage):

- Foundations - including underpinning
- Load bearing structures eg. ceilings, floors, staircases, walls, and roofs
- Partition walls
- Chimneys and flues
- Roof structure and coverings
- External finishing surfaces (including render)
- Floor and screeds
- Wet-applied plaster
- Double and triple glazed windows and doors

Always check what is not covered in the policy. Often restrictions may include general wear and tear, condensation, normal shrinkage, cosmetic damage or damage arising from failure to maintain the property. Always refer to the full policy document for detailed information on what is covered and what are the exclusions.

Building Regulation approval and completion certificate confirm that building complies with Building Regulations and it is structurally sound. No builder can guarantee 100% that there will be no issues after the completion and structural warranty also protects against the risk of failure with construction materials. Often mortgage lenders require a structural warranty before they will provide a mortgage on a property. Do not confuse the structural warranty with the site insurance or other home insurance policies.

Important questions while choosing the warranty include:

- What is the policy excess?
- Is water ingress excluded from the cover?
- What is the financial limit for each house?
- Is there an overall policy limit?
- Does the policy include a defect period?

- Does the policy cover complete or part-completed projects?
- What technical support insurer provides?
- What are the technical standards?
- How will the completion certificate be provided?
- How will be the assessment of the build progress carried on? How many inspections will the warranty provider undertake?
- Does the warranty provider offer any technical support?
- What is the rating of the policy underwriter?
- In case of refurbishments or conversions of existing buildings, check whether the policy includes cover for the existing structure or covers only for new works.
- Check what the warranty requires from developers and how long the requirements last?

LABC warranty has the range of products to protect the building project.

For more information on structural warranties visit LABC website www.labcwarranty.co.uk