



Ah.Design



FACT FILE – SELF BUILDER'S INSURANCE

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's why you must ensure that you've all the necessary cover.

You may be able to skimp on some building materials but never cut corners when it comes the insurance policies. There are so many variables depending on how and where you build that it's advisable to seek professional advice from an insurance broker with experience in self-build so that you really do have all bases covered. Here's a round-up of the most common policy types...

Site Insurance

Sometimes termed Contracts Works Insurance, this is the cover most akin to your domestic house and contents policies. It protects you against losses that can be caused by vandals, theft, fire, flood, delivery vehicles and other eventualities that could cost you time and money. A typical policy will include tools and plant you own or have hired, any sheds, caravans or outbuildings and the cost of reconstructing the property if things go dramatically wrong.

Public Liability Cover

Probably the most important policy you will buy for your project. This covers you in the event that someone wanders onto the site and injures themselves or their property. You can even be liable if someone trespasses on your land and accidentally injures himself or herself. If you were to be found liable, the legal and compensation costs against you could be huge, so standard policies offer a cover of £5 million. Policy costs can range from under £100 for a clear plot of land to several hundreds for a plot with a three-storey building and outbuildings.

Employer's Liability Cover

If you're handling the project management and employment of trades yourself, you will also need this cover to protect against claims from those working on your property. You may not be employing the person but there is a 'duty of care' on your part and the injured person may be able to claim.

Income Protection

Most people will borrow money to finance their dream home but what happens if something happens to you or your partner? Income protection is just what it says on the tin. There are several options available. Critical illness cover can cover the repayments if you're unable to work. Permanent Health Insurance is more geared to how much replacement income you would need to





Ah.Design



tide you through a set period of illness or injury. This can be a few weeks or a year. Life insurance cover provides financial security to your family by paying off your self-build mortgage or any loan should you die

Policies you may also need to be aware of...

JCT Clause 21.2.1 Insurance

As well as the hazards of working on your own site, you must also think about possible damage to the surrounding area. These policies are primarily intended to cover you in the event of subsidence, soil collapse or a change in ground water levels caused by your development. Although your Public Liability insurance will cover you against negligent works, you still need a JCT policy to cover you against non-negligent damage. A good example would be deep pile foundations that were all carried out in the right way but still caused damage. It all has to be covered and a JCT (Joint Contracts Tribunal) Clause 21.2.1 policy will protect you and your builder.

The amount you will need to pay may be affected by the geology and soil type of your plot. Policy prices also vary according to building materials used and location. Because of the technical nature of the work covered, it may be best to seek advice from an engineer, surveyor or architect.

Restrictive Covenant Policy

There are fewer and fewer prime pieces of unrestricted land available. Restrictive covenants are restrictions placed on a piece of land by the previous owner. The most obvious examples are backland developments in rear gardens of existing properties. A policy should protect you from expensive legal costs if there is an existing breach of a restrictive covenant or if your development will breach the covenant but where there is unlikely to be any challenges, maybe because of the age of the original covenant. Normally you will need planning consent without objections before you can take out a policy that covers breaching an existing covenant.

Third Party Insurance

In some cases, you may also need to take out short-term insurance to cover others working on your site, for example when the mains drainage is connected up to your plot drainage system.

