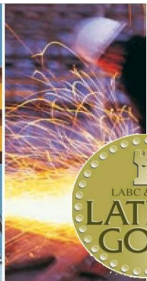


# LABC Latent Gold Commercial Buildings Defects Guarantee



## WHAT ARE THE BENEFITS OF THE LABC LATENT GOLD GUARANTEE?

There are significant benefits arising from the arrangement of cover under the LABC Latent Gold Policy. Key benefits include:-

### Security

- This insurance operates on discovery of an insured defect, backed by one of Europe's largest insurers. You therefore have the security that sufficient funds are available to commence the required, urgently needed, repairs. Where no insurance cover is in place, even if liability can be established and proven, the party/parties liable may not have the means to meet the repair costs.
- It should not be forgotten that even where a professional carries significant Professional Indemnity insurance, this is usually arranged on an annual claims made basis with no guarantee that funds will be available for claims that occur several years into the policy term.
- The insurance is non-cancellable over the policy period. Sums insured being automatically adjusted to provide levels of protection against inflation.

### Funders

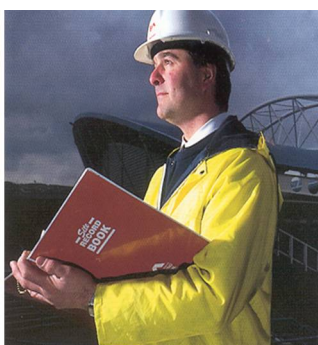
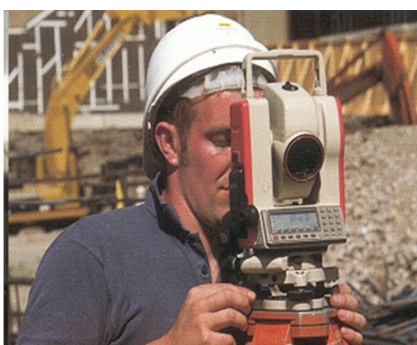
- The security provided by LABC Latent Gold provides protection for potential funders, therefore encouraging their backing and investment.

### Sales Feature

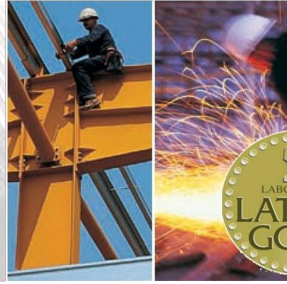
- Potential owners and tenants of a building are increasingly reluctant to assume risks associated with building defects. Consequently they are attracted to a building where this risk has already been transferred to an insurer. The potential sales or letting position of the developer is significantly enhanced.

### Speed of Rectification

- No need exists to prove fault or liability on the part of a third party before the insurer will respond to a claim. Therefore immediate funding is available to the insured to effect repairs without the need for borrowing or self funding. Time consuming and complex litigation **does not** have to take place before repairs can be put in hand.



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## Legal Costs

- Proceedings are costly, time consuming and the outcome can never be predicted with certainty. The expense and hassle factor associated with protracted litigation can be avoided altogether on most potential claims

## The involvement of Local Authority Building Control (LABC)

- Cost savings result from using LABC to carry out the building control function as, where the rebuilding cost of the property is less than £10 million, no further independent inspections are normally required by Insurers'.
- Additionally, for properties valued over £10 million and up to £15 million, LABC's involvement during construction means Insurers requirements for additional inspections can be reduced from those usually required, thereby delivering significant savings on inspection costs.

## Harmony

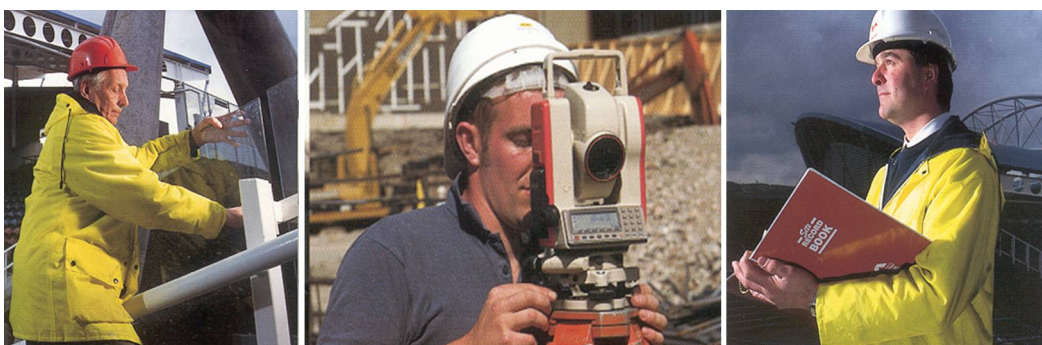
- The ability to extend cover to protect the Contractor and Professional Team takes care of an area that currently can introduce disharmony from the very start of many building contracts. This substantially reduces discussion and argument over contract conditions, agreements and has a very positive effect on collateral warranties.

## Construction Company

- Open choice. Provided the construction company appointed selects Local Authority Building Control to undertake the inspection work, full policy cover is available.

## Weatherproofing

- Cover is included 12 months after practical completion, subject to a satisfactory survey (for which a small fee is payable).



# LABC Latent Gold Commercial Buildings Defects Guarantee



## THE INSURANCE PRODUCT

LABC Latent Gold is a unique Latent Defect insurance designed for commercial properties. This is as a result of a commercial partnership involving LABC Services, Oval Insurance Broking and Allianz Global Corporate and Specialty.

### What does LABC Latent Gold Cover?

LABC Latent Gold provides protection to building owners, occupiers and other parties who may have an interest in any newly constructed commercial property. Insuring against damage, or the threat of collapse, due to a defect in the structure of the building that remains undiscovered at the date of practical completion of the building. Policy cover applies for 10 or 12 years following practical completion.

Typical examples of where claims occur include:-

- Defective design
- Defective construction
- Defective materials

### Who is insured?

The benefit of the policy is for building developers, owners, their funders and subsequent owners, tenants and other users or occupiers of the building.

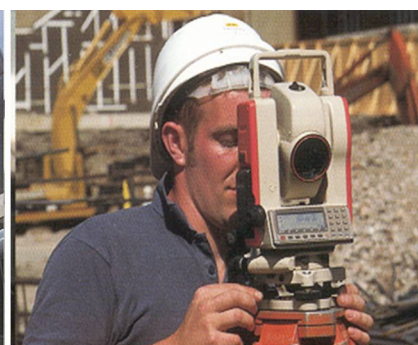
Cover can also be purchased to protect the Contractor and the full Professional Team.

## PROPERTIES THAT CAN BE COVERED BY LABC LATENT GOLD

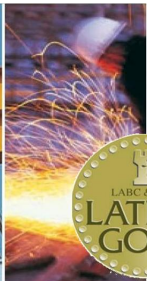
Virtually any commercial property can be included, such as:

- Offices
- Hotels
- Factory/Warehouse Units
- Surgeries/Medical Practices
- Schools/Educational Facilities
- Industrial Estates
- Shops/Retail Developments
- Sports Stadium
- Leisure/Entertainment Facilities and Public Buildings

and many more.....



# LABC Latent Gold Commercial Buildings Defects Guarantee



## WHEN SHOULD COVER BE ARRANGED?

Ideally, before work has started on site. Cover can be arranged where construction has already commenced or recently completed (in the last 6 months) subject to full details being acceptable to Insurers – the cost of the cover however increases the further the building work had progressed.

## HOW CAN QUOTATIONS BE PROVIDED AND COVER PLACED?

Oval Insurance Broking has designed a system to ensure the arrangement of the insurance is as straight forward and as simple as possible.

### Information to be provided

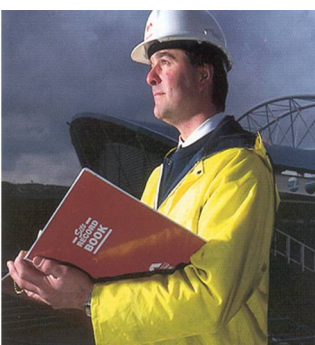
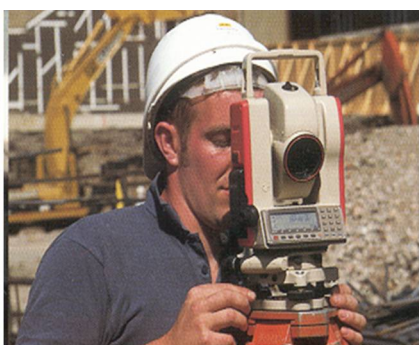
A completed proposal form will provide sufficient information to enable underwriters to confirm terms. Premium indications can be obtained by providing us with the information by telephone, email as well as the completed Proposal Form.

### Maximum value of properties

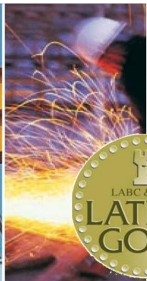
There is absolutely no maximum value of property that can be included under LABC Latent Gold. The general rates of premium indication are given below. Where the sum insured exceeds £10m please refer to Oval Insurance Broking to obtain a specific quotation, incorporating special discounts.

### Indication of premium

Oval Insurance Broking and the insurers have undertaken to ensure the pricing of the product is extremely competitive. Premiums start from as little as £1,575, including Insurance Premium Tax, to provide cover for 10 years on a commercial property with a rebuilding cost of up to £250,000. The premium equates to around £6,000 per £1 million of rebuild cost.



# LABC Latent Gold Commercial Buildings Defects Guarantee



## Additional Charges

- Cover can be extended to hold the contractor harmless, at an additional premium.
- If the purchaser of the insurance requires all professional parties (e.g. architects, quantity surveyors etc.) involved in the construction to be held harmless, then this can be included within the rating detailed above.
- The standard excess is 2% of rebuild value. There is an option to reduce this to 1% of rebuild value. The minimum excess is £5000. On larger contracts the maximum excess is £37,500, although this can be amended with negotiation.

## Arrangement of cover/premium payment - Sequence of events

Once the client has decided to arrange insurance cover, Oval Insurance Broking will contact the Local Authority Building Control and liaise with them. The completion certificate should be supplied on practical completion of the contract. Once this certificate is received, Oval Insurance Broking will issue the policy document to the client.

A deposit premium will be due upon request for the insurance cover, with the balance payable upon issue of the policy documents.

## Contact Us

Should you wish to discuss this in more detail then please contact LABC Latent Gold team at:

**LABC Latent Gold Enquiries**  
Oval Insurance Broking Limited  
5 Western Boulevard  
Leicester LE2 7GQ

Telephone - 0845 075 3530  
Facsimile - 0116 247 0140  
Email - [enquiries@labclatentgold.co.uk](mailto:enquiries@labclatentgold.co.uk)

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for the conduct of UK business.

Please note that this synopsis is intended only as a guide to the LABC Latent Gold Insurance product and that reference should be made to the policy documentation for details of terms and conditions applicable. Copies of this documentation are available on request.

