



## LABC Latent Gold - Commercial Buildings Defects Guarantee FAQs

**LABC Latent Gold is a unique collaboration between Allianz Global Corporate & Specialty, Oval Insurance Broking and Local Authority Building Control (LABC) to provide affordable structural defects insurance for commercial buildings up to £15 million value.**

### What does it cover?

The insurance policy provides cover for repairing or reinstating newly built commercial properties for 10 or 12 years after practical completion as a result of a defect in the structure due to defective design, defective workmanship or defective materials.

### Who does it protect?

Taking out this cover can benefit the building developers, owners, their funders, tenants and any other users or occupiers of the building. The policies are also freely assignable to any future owners, funders and tenants.

### Which properties can be covered?

Almost any commercial property can be covered i.e. offices, hotels, factories, warehouses, surgeries, schools, shops, sports stadia, pubs, restaurants, cinemas, public buildings and many more.

### 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.

### What is the cost?

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.

### What is LABC's involvement?

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.



## What are the benefits of having the cover?

There are many reasons why this cover should be taken out for instance:-

<b>Speed of rectification</b>	There is no need to prove fault or liability on the part of a third party, before a claim can be submitted to the insurer.
<b>Legal Costs</b>	Complex, costly and time consuming litigation does not have to take place before the necessary repair work can be put in hand
<b>Security</b>	This cover is underwritten by Allianz Global Corporate & Specialty part of one of Europe's largest Insurers and whose financial strength was recently confirmed as AA (very strong) by Standard and Poor's Insurer financial rating service
<b>Funders</b>	The security provided by LABC Latent Gold encourages the backing and investment of potential investors in the development
<b>Enhances sales and letting</b>	Potential owners and tenants are becoming increasingly reluctant to assume risks associated with building defects, so they are attracted to buildings where this risk has already been transferred to an insurer
<b>Simplifies claims</b>	Reduces the reliance and negotiations involved in obtaining collateral warranties.
<b>Reduces admin</b>	Reduces the need to ensure that relevant parties have Professional Indemnity Insurance in force.
<b>Peace of mind</b>	Cover is provided regardless of the continued solvency of any Main or sub-contractors.
<b>Inflation Cushion</b>	Sums insured increased by 5% per annum

## What extensions are available?

Cover can be extended from 10 to 12 years; waivers can be purchased to hold the contractor and/or the professional team harmless. Loss of rent cover can also be provided.

## Simplified quote process

Complete and submit the three page proposal form to receive a no obligation quotation, usually valid for thirty days.

## How to contact us

### LABC Latent Gold Enquiries

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Please note that this FAQ 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.

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