

## LABC Latent Gold Commercial Buildings Defects Guarantee

### What is LABC Latent Gold?

A **unique, affordable structural defects insurance** for commercial buildings up to £15 million in value and by arrangement for buildings valued over £15 million.

- **Delivered by Local Authority Building Control (LABC)** in partnership with Oval Insurance Broking (Oval), with Allianz Global Corporate & Specialty (Allianz) as underwriters.
- **Providing simple, affordable insurance** against defective design, workmanship or materials in commercial buildings.
- **Reducing costs and risk** in comparison with collateral warranties and providing timely rectification without resorting to lengthy, expensive and uncertain litigation.
- **Helping to make commercial buildings 'risk proof'** against latent defects.
- **Benefiting from the unique LABC relationship with Allianz** which means that no additional surveys on buildings up to £10 million are normally required and reduced inspections up to £15 million.

### What can be covered?

- **Almost any commercial property** can be covered including - offices, hotels, restaurants, factories, warehouses, industrial estates, surgeries, schools, shops, sports stadiums, leisure/entertainment facilities, public buildings and many more.

### Who is insured?

- **Developers**, owners, their funders and subsequent owners, tenants and other users/occupiers of the building can all be covered by LABC Latent Gold

### Benefits for the Developer & Building Owner



- **Speed of rectification:** There is no need to prove fault or liability on the part of a third party before a claim can be submitted.
- **Legal Costs:** Complex, costly and time consuming litigation does not have to take place before the necessary repair work can be put in hand.

- **Security:** Cover is underwritten by Allianz Global Risks Corporate & Specialty part of one of Europe's largest & financially strongest insurers.
- **Funding:** The security provided by LABC Latent Gold encourages investment from banks and other potential investors in the development and can result in better loan terms.
- **Enhances sales and letting:** Potential owners and tenants, as well as banks, are becoming increasingly reluctant to assume risks associated with building defects.
- **Reduces admin:** Reduces the need to ensure that relevant parties have Professional Indemnity Insurance in force and simplifies negotiations involved in obtaining collateral warranties.
- **Peace of mind:** Cover is provided regardless of the continued solvency of any main contractors or subcontractors.
- **Inflation Cushion:** Sums insured increase by 5% per annum.

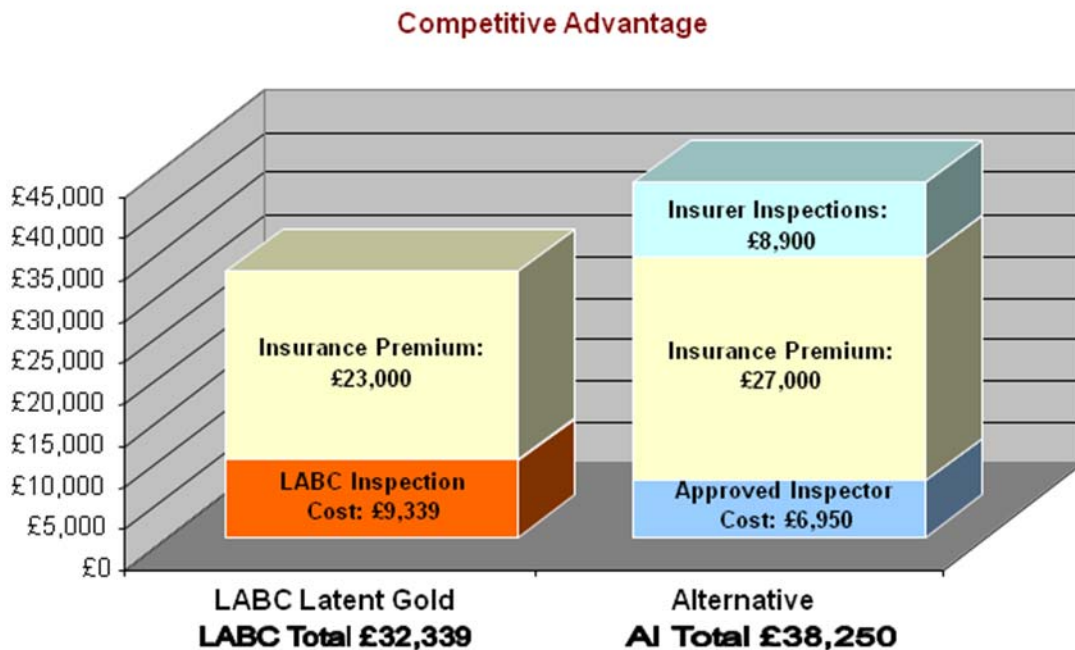
## Benefits to the Builder and Designers



- **LABC Latent Gold** cover can reduce the reliance on the designer's & contractor's Professional Indemnity insurance.
- **A waiver** of the insurer's rights to subrogate against the contractors and/or designers is available.
- **LABC Latent Gold** cover can also reduce the negotiations and time involved in arranging collateral warranties.
- **Can maintain harmony** between the parties by avoiding the need to establish who is to blame for any latent defect in the building.
- **Professional Indemnity** policies will, generally, only provide cover for a limited number of assignments (ownership changes), usually two. There is no restriction to the number of assignments under an LABC Latent Gold policy.
- **The sum insured** under LABC Latent Gold is index linked by 5% annually. This reduces the need for the Limit of Indemnity under the designers Professional Indemnity policy to be increased year on year, to cater for the increasing values of properties designed in the past.

## What will it cost?

- **The combined cost** of LABC Building Control and the LABC Latent Gold Warranty for a particular project will almost always be less than is obtainable from any other provider. The slide below illustrates a recent example:



- **To obtain a quotation for building control**, ask the Local Authority Building control department with which you are dealing, or contact the LABC Business Development team:

**LABC Business Development Team**  
**LABC**  
**137 Lupus Street**  
**London**  
**SW1V 3HE**  
**Email: [business.development@labc.uk.com](mailto:business.development@labc.uk.com)**  
**Tel: 0844 561 6136**

- **To obtain an LABC Latent Gold quotation** or to discuss in more detail, please contact the LABC Latent Gold Team at:

**LABC Latent Gold Enquiries**  
**Oval Insurance Broking Limited**  
**5 Western Boulevard**  
**Leicester**  
**LE2 7GQ**  
**Tel: 0845 075 3530**  
**Email: [enquiries@labclatentgold.co.uk](mailto:enquiries@labclatentgold.co.uk)**  
**Fax: 0116 247 0140**  
**Web: [www.labclatentgold.co.uk](http://www.labclatentgold.co.uk)**