

*renovation  
underwriting*

*Contract works  
insurance: frequently  
asked questions*

# 1 Understanding works insurance

## FREQUENTLY ASKED QUESTIONS

### *What is works insurance?*

Renovation Underwriting's works insurance policies are project-specific solutions that protect both your building works and existing home during a renovation or building project.

### *Why do I need works insurance?*

Standard home insurance excludes or restricts your buildings cover during works or shows a limit for works with which your insurers are comfortable. Your home insurance usually does not cover you for the works themselves or any liabilities arising from them.

### *What do Renovation Underwriting policies cover?*

We provide an All Risks contract works package covering:

- **The Contract Works**
- **The Existing Structure**
- **Property Owner's Liability**
- **Project Public Liability** (if self-managing a project)
- **Employer's Liability** (if paying labour directly)
- **Non-Negligent Liability** (Mostly but not exclusively if you have an exposure under the Party Wall Act 1996)

We do not insure existing structures in isolation. We offer the full range of perils under both sections, including subsidence, accidental damage, and damage caused by the contractor.

Cover automatically ceases at the point of practical completion or the expiry of the policy.

You should ensure that an extension is arranged or have a standard home insurance product available at the end of the project. Your broker will help you with this.

### *When is works insurance required?*

Home insurer's definitions of works vary a lot, but it is safe to assume that project specific works insurance will be required if you are planning structural changes to your home. Building works trigger exclusions in home insurance which could leave gaps in cover or cover excluded altogether. Works insurance can also protect non-structural projects that are too large for your home insurer to accommodate. The value of works is always the total project cost including fees and VAT.

# 1 *Understanding works insurance*

## FREQUENTLY ASKED QUESTIONS

### *Can I come to you directly for a quotation?*

No, we only provide insurance policies via insurance brokers. Insurance brokers act as independent intermediaries who can give you independent expert advice and represent you during the claims process.

### *Do works insurance policies renew?*

No, unlike home insurance or contractor's insurance which renews yearly, our policies are project-specific. They protect your works and home for the duration of your project. If the policy is due to expire before the work is completed, we can extend the policy until it is finished.

### *What happens at the end of the policy period?*

If the works are completed, you should immediately insure the buildings under standard home insurance for the updated rebuild value. If the works are not completed, the works policy can be extended. Please note that extensions will not happen automatically, you must instruct your insurance broker if an extension is required.



# 2 Policy costs and coverage details

## FREQUENTLY ASKED QUESTIONS

### *How much does works insurance cost?*

Premiums depend on many risk factors including project cost, project type, rebuild values and duration. The premium reflects the risk and potential claims exposure of the project but could start as low as £475 plus Insurance Premium Tax (IPT).

### *Do you guarantee the work?*

No, our policy does not guarantee the work of the contractor, the quality of the work, or that the contractor will complete the work.

### *Can contents be covered?*

General contents insurance can be offered during works, subject to certain conditions and inner limits. Coverage excludes contents away from the premises, fine art, or jewellery.

Existing home insurers might provide more comprehensive contents cover during works, especially if the home is vacated during the contract period.

### *Is accidental damage covered?*

Yes – our policies cover sudden, unforeseen, accidental damage, and this is one of our most common claims.

### *Is defective workmanship covered?*

Defects are a contractual matter between you and the contractor. Works insurance does not guarantee the quality of the work, so defective property is not covered. Insurance covers sudden, unforeseen accidental damage so would cover damage to insured property which is defect free and is damaged by the defective property.

The standard insurance coverage may be extended under our Renovation Ultra policy to provide extended coverage for design defects. Please speak to your broker to find out more.

# 3 Contractor's insurance vs. owner-controlled works insurance

## FREQUENTLY ASKED QUESTIONS

### *My contractor has works insurance; why should I also take out works insurance?*

Relying solely on a contractor's insurance means you lack control over the claims process. Claims can be complex, and any coverage gaps could leave you unprotected. By securing your own insurance, you maintain control and peace of mind. A JCT contract clarifies insurance responsibilities during the contract period; consult your architect to administer a JCT for you.

### *Can I rely on the contractor's insurance?*

Contractors don't always understand what insurance provision they have and how you will be paid if there is a problem during the works. Contractor's often use the term 'Fully Insured'

without understanding what you expect that to mean. If your contractor has simple Public and Employer's Liability insurance, it won't cover your home and it won't cover the works being undertaken in the contract. Even if the contractor has works insurance, it still won't cover your home. It is worth remembering that just because a contractor has insurance it doesn't mean that their insurers will pay. Proving negligence against your contractor is very difficult and expensive.

### *If the contractor has works insurance, would there be dual insurance?*

No. If Renovation Underwriting provides a policy specifically for your works contract, it will be the primary insurance.

### *What insurance should the contractor have?*

This depends on their individual requirements but typically, contractors should hold:

- **Public Liability:** For claims from non-employees.
- **Employer's Liability:** If they have employees.
- **Professional Indemnity:** If they provide design services.

# 4 JCT Contracts and insurance implications

## FREQUENTLY ASKED QUESTIONS

### *What is a JCT contract?*

The Joint Contracts Tribunal (JCT) produce contracts for construction projects. The contracts set out the responsibilities of all contracting parties, so it is understood what work is to be done, who is doing it, how long it is going to take and how much it is going to cost.

Crucially the contracts also provide a framework for resolving any problems to minimise and prevent any delays, conflict or escalation to litigation.

### *What are the insurance implications of a JCT contract?*

Under the insurance section of the JCT contract, there is a requirement for insurance to be arranged in "joint names". Insurance for the works and existing structure must be arranged

in the joint names of the homeowner\* and the contractor.

The safest way to undertake a contract is with an appropriate JCT Contract and JCT compliant insurance.

Standard home insurance is not compatible with JCT Contracts. (\*Under a JCT contract the homeowner is referred to as the Employer.)

### *Which JCT insurance clause is best for homeowners?*

Employer (homeowner) controlled options are recommended for ensuring claims are paid under a JCT-compliant insurance policy. For example:

- **Minor Works:** Clause 5.5 (Previously 5.4B in JCT 2016)
- **Intermediate/Standard:** Clause 6.7, Option B (new build) or Option C (when an existing home is involved)

### *What is JCT 6.5.1 (formerly 21.2.1)?*

JCT 6.5.1 deals with Non-Negligent Liability for third-party property damage, also known as Party Wall Act Insurance. It replaces Clause 21.2.1 from older JCT contracts.

### *Can you insure me if I am not using a JCT?*

Yes, we can insure projects without any contract at all, or where another type of contract is being used instead. You'd be better having a JCT though because the contract is binding. Contractor terms and conditions often favour the contractor and are silent on insurance and negligence. Most are silent on anything not in favour of the contractor!

# 5 *Liability* concerns

## FREQUENTLY ASKED QUESTIONS

### *Do I need liability insurance?*

Yes, you should always have liability insurance. Liability insurance can protect you from claims directed at you following someone being injured or killed, or if there is third-party property damage.

- If your project is managed by a main contractor, **Property Owner's Liability** will shield you from claims made against you that do not stem from the works or if you are sued alongside a contractor.
- If you are project managing, **Project Public Liability** and **Employer's Liability** will cover claims arising from the works or by persons working on-site.

### *What is Non-Negligent Liability Insurance?*

Non-Negligent Liability is a special type of insurance that covers claims from third parties for injury or property damage due to specified causes where negligence cannot be proven.

For example, if your neighbour's property is damaged due to your building works but fault cannot be proven against anyone, this insurance can be used. Legally under the Party Wall Act 1996, homeowners undertaking works could be forced to pay for neighbouring injury or damage so Non-Negligent Liability insurance is used to meet this legal obligation where the contractor's insurance will not pay.

### *What happens if a neighbour's property is damaged during the works?*

In most cases, damage arises from either negligent design by the construction professionals involved or poor workmanship by the contractor.

- If negligence cannot be proven, neither **Professional Indemnity** held by property professionals nor **Public Liability** arranged by the contractor will pay the claim.
- Instead, under the **Party Wall Act 1996**, the **homeowner (you) would be responsible** for resolving damage due to certain causes to neighbouring properties caused by your works.

# 6 *Claims* process

## FREQUENTLY ASKED QUESTIONS

### *How are claims managed?*

Claims should be reported to Renovation Underwriting as soon as possible.

You can call us on **+44 (0) 1480 768 799**, complete the form on this page, or raise a claim by **downloading this form** and sending to **[claims@renovationunderwriting.com](mailto:claims@renovationunderwriting.com)**. Any of these approaches will initiate the claims process.

Claims should be reported to us in the first instance using the options above.

Our in house claims manager will help administer your claim.

### *Do you have any claims examples?*

Our most common claims involve water damage and accidental damage caused by the contractor. Fire is less common but when a fire claim does happen, these tend to be very large. Our average claim size is over £35k. Our policy covers accidental damage, water damage, fire, theft, and many other perils which are usually excluded by home insurance and restricted by other works insurers.



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# 7 Coverage for specific projects

## FREQUENTLY ASKED QUESTIONS

### *What types of projects can you cover?*

We are industry leaders in single project contract works and cover:

- High-value works
- High-value structures
- Complex projects
- Basement conversions & excavations
- Listed & heritage buildings
- New builds
- Non-standard construction (thatch or timber)
- Commercial existing structures and works
- Self-managed projects
- UK non-domiciled clients

### *I'm self-managing my project; is this okay?*

Yes, we cover self-managed projects subject to underwriting criteria. We provide combined liability coverage for self-managed clients, including **Property Owners Liability**, **Public Liability**, and **Employers Liability**. We also insure the existing structure and works.

### *My project has already started; can you insure this?*

Yes – we won't pay for pre-existing damage, but we can insure most projects which are already underway. However, if work has already started, unfortunately we would not be able to provide Non-Negligent Liability insurance.

### *What happens if the contractor leaves mid-way through the project or becomes insolvent?*

If you are a policyholder of ours, please contact your broker straight away to notify them of any material change. If the project is forced to stop, there is cover for up to 60 days of cessation, but you must notify us straight away as special terms will apply. We will also need details of any new contractors so that we can underwrite this change of circumstances.

# 8 Insurer details and policy benefits

## FREQUENTLY ASKED QUESTIONS

### *Who is the insurer?*

Our range of insurers includes **HSB, Allianz, QBE, AXA XL**, and **Talisman Speciality**. Find out more about our panel at [Our Partners - Renovation Underwriting](#).

### *Why does this insurance cost more than a home policy?*

A building site is significantly riskier than a standard domestic situation. The building undergoes structural changes, making it more vulnerable to loss or damage. Materials on-site could be stolen, liability exposure increases, and the presence of works can attract unwanted attention.

We ensure that our insurance fully protects you and your home during the contract works period. Even if your contractor breaches the policy terms and conditions, you will still get paid—provided you were not complicit.

It is possible to insure a building project more cheaply, but lower premiums often come with significant compromises in coverage and protection. More than **75% of claims using traditional insurance products fail**. A **JCT-compliant insurance policy** is the most secure way to insure a project.

### *What does Renovation Underwriting offer over other providers?*

We offer the **market-leading** product in terms of:

- Coverage breadth
- The quality of our insurers
- Our industry expertise, advice, and support

We tailor our offerings to meet your exact needs, we can also advise your professional team, and remain available at all times to help resolve problems. We also liaise with other project professionals and modify coverage as needed to ensure full protection.

Ultimately, we provide **peace of mind and control** over your insurance needs.

# Our partners

## Our *long-standing* insurance partners are all *A rated capacity*

Our partners ensure capacity support that can fulfill the needs of the most demanding renovation projects.



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