

ASUC represents Specialist  
Domestic Contractors in:

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**UNDERPINNING  
AND SUBSIDENCE  
REPAIR  
TECHNIQUES**

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**ENGINEERED  
FOUNDATION  
SOLUTIONS**

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**CONSTRUCTION  
OF RETRO-FIT  
BASEMENTS**

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Speak to the experts before you start any project involving basement construction, engineered foundations, underpinning or structural repairs

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**THE ASUC GUARANTEE SCHEMES**

# THE ASUC

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# GUARANTEE SCHEMES

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## Introduction

ASUC have three warranty schemes, all based on Latent Defects Insurance, and it is important to understand the differences behind varying Guarantees.

Insolvency guarantees – only operate if the contractor has ceased to trade and then still a client would have to prove negligence against the contractors' insurer which involves heavy legal expenses.

Company guarantees – often written for long periods say 20 years are completely worthless if the company ceases to trade and their insurances would not operate to settle a claim against them.

Latent defects insurance - also known as a 'first party policy' – this is what ASUC members operate and incept on behalf of their clients.

- These guarantees are only available through ASUC contractors
- The one-off latent defects insurance policy gives the client the benefit of a guarantee on all the works including the structural repairs and drainage, etc.
- The DIG, Big or FIG is issued direct to the client and is a positive asset when selling a property

## ASUC Insurance Backed Guarantees

The ASUC guarantees improve on the usual insolvency guarantees because they are a direct contract between the underwriting insurance company and the ultimate client, and therefore not dependent upon the trading company if a claim is made.

ASUC has three forms of warranty:

### THE DIG

#### *Defects Insurance Guarantee*

- applies to underpinning, mini piling and foundation works
- contract sum including VAT is insured

### THE BIG

#### *Basement Insurance Guarantee*

- applies to domestic retro-fit basements
- contract sum including VAT is insured

### THE FIG

#### *Foundation Insurance Guarantee*

- applies to engineered foundation solutions
- the sum insured is 10 times the contract sum or the rebuilding costs, whichever is the lesser



# The main benefits\* of DIG, BIG & FIG Guarantees are:

- Indemnity policy
- Remains in force even if the issuing company fails
- 12 year term for DIG
- 10 year term for BIG
- 10 year term for FIG
- Covers ALL the contract works and defects in workmanship or design
- In the case of the BIG, can include waterproofing if that section of the policy has been accepted
- For the DIG and the BIG, up to 25% of the contract sum is insured for consequential losses
- Alternative accommodation is covered for up to 26 weeks
- Contract sum is index linked
- Can be passed to any subsequent owner of the property
- Available on domestic and light commercial property
- It is the building works that are insured not the person – thus freely transferable on sale
- A latent defects cover operates where a claim is valid and there is no need to prove negligence

ASUC  
UNDERPINNING & SUBSIDENCE  
REPAIR TECHNIQUES / ENGINEERED  
FOUNDATION SOLUTIONS /  
RETROFIT BASEMENT  
CONSTRUCTION

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\*As with all insurance cover - read the policy document for full details available at [www.asuc.org.uk](http://www.asuc.org.uk)

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# TEN GOOD REASONS FOR HAVING AN ASUC GUARANTEE

1. Exclusive to ASUC members and offer a unique opportunity to engage with an approved contractor that has been independently audited on technical, insurance, health and safety, training and financial matters.
2. Warranties are considered to be better than collateral warranties and/ or certificates of adequacy, because these require the continuance of professional indemnity (PI) cover at levels suitable for the contracts undertaken. If the company who undertook the work is not trading there is NO policy to claim under.
3. The cost of DIG, BIG or FIG will be included in the contract sum and is for 10 or 12 years (as per the policies above), so any costs associated can be considered spread over the whole period, although the premium is paid at completion of the works.
4. No one expects their company to fail, but there have been some notable collapses of companies following recessions and construction companies that suffer from bad payment practices often fail because of cash flow issues.
5. For ASUC members, issuing DIG, BIG or FIG, helps protect their balance sheet against a claim, costs associated with disproving negligence claims against them and enables the negotiation of reduced rates on their general basket of insurances: PI, products liability and the like.
6. Many clients including insurers, lenders and London estates have appreciated that engaging an ASUC contractor reduces their own risk management, because members are pre-audited and offer the guarantees.
7. At point of sale, solicitor enquiries will reveal if underpinning of any form has taken place and trigger the question - is there a warranty?
8. Covers ALL the contract works and defects in workmanship or design.
9. For the DIG and the BIG, up to 25% of the contract sum is insured for consequential losses and alternative accommodation is also covered for up to 26 weeks.
10. Contract sum is index linked.