



The Contract -

And be careful of construction defects leading to rejected insurance claims

It is important for building contracts to be clear and unambiguous and to set out the time periods and responsibilities of all parties in an understandable manner. In cases of disputes the dispute resolution process is to be fair and transparent to all parties involved.

Whether you are a builder, supplier or engineer and require advice in the construction sector we deliver expert services concerning the relevant agreements found in the building industry.

The Consumer Protection Act has been in effect since 2011. Other legislation has been around to protect consumers in the building industry. One of these items of legislation is known as the Housing Consumers Protection Act and prescribes that no person shall construct a home unless that person is a registered home builder.

Further the home builder may not demand a deposit for the construction unless the home builder and employer have entered into a construction contract. Further the builder may only commence with the building works of the new house if the NHBRC has issued a certificate of enrolment to the home builder.

Employers are to be wary of construction defects as well as rejected insurance claims. Acquiring a home is a major investment decision yet a decision which could result in great financial loss.

Design or construction defects can include poorly damp proofed building foundations, inadequate roof pitch preventing water from flowing freely off the roof, insufficient spacing of tiles and boundary walls not built to applicable regulations. For example, tiles in an insured's home start cracking as a result of inadequate spacing which allows for normal contraction and expansion, the insured may not have a valid claim against his insurer.

This can be devastating for the homeowner who has already sustained damage to his home and does not have the funds to repair the damage himself trusting that his insurer would cover him in the event of such loss.

When deciding to purchase a house consider obtaining the help of qualified professional to help inspect the property to avoid your insurance claims being rejected in the event of loss due to structural or building defects.

Ron Petersen AIISA; ACII; AIRM

Insurance@mbawc.org.za

082 607 1666 (021) 685 2625