

How to make a claim on your Master Build 10-Year Guarantee

While the vast majority of building projects go through smoothly, sometimes things can go wrong. The Master Build 10-Year Guarantee provides support if your builder cannot or will not complete your project.

To be covered, you must have applied for the Guarantee and had your application accepted before building starts, as it is not automatic upon you hiring a master builder. For more information on the Guarantee, see our guide: **Master Build 10-Year Guarantee**.



Is the Guarantee an insurance product?

A Master Build 10-Year Guarantee is not an insurance policy, but a guarantee that includes insolvency protection. It provides cover for your build if it is established that your builder is unable or unwilling to finish the project or address defects.

In general, a guarantee provides assurance that help is available if something goes wrong, whereas insurance provides an offer of compensation for loss. With an insurance product, the relationship is traditionally between the consumer and the insurer. With a Master Build 10-Year Guarantee there are three parties involved – the consumer, their builder and Master Build Services. Master Build Services is the subsidiary of Registered Master Builders that manages the Guarantee.

The vast majority of claims under the Guarantee are settled with the builder returning to site to address the issues. This is always our first course of action under the Guarantee.

The Guarantee does not cover contractual disputes

The Master Build 10-Year Guarantee provides cover for loss of deposit and non-completion, as well as structural, workmanship and material defects. It is not there to resolve contractual disputes. These need to be resolved prior to a claim being lodged. Registered Master Builders can support homeowners with this process, through our free independent disputes resolution service for our builders and their customers.

How do I make a claim?

We understand this can be a stressful and emotional time, and our claims team are ready to guide you through the claims process.

First and foremost, contact us as soon as you believe there is an issue. We will work with you to understand the situation, what you can claim on, and the best approach going forward.

Our first step is to investigate your claim. This will include talking to your builder. We will then work with you to develop the next steps. This may include working with your builder to complete the project, or working with you to engage another master builder, or we may pay you any money owing due to your claim. Our goal is to work with you to help you get your home complete.

If you are making a claim, it is important that you talk to us before you make any further payments to your builder or subcontractors.

There may be cases where the site needs to be secured, to protect the work carried out to date, while we investigate your claim. In these instances, let us know and we will provide approval for this work to be carried out.

What can I claim for?

Under the Master Build 10-Year Guarantee you can claim for:

- ✔ loss of deposit
- ✔ non-completion
- ✔ materials and workmanship defects
- ✔ structural defects (including rot and fungal decay).

Please note, this is a summary only – for the full details of cover, refer to your Guarantee booklet.

Loss of deposit

Loss of deposit provides cover until permanent building work starts. We require the deposit to be no more than 10% of the build cost. The deposit allows your builder to undertake preliminary work, such as developing plans, consents, site setup, or purchasing materials to get the project underway.

To make a claim on this, you must:

- ✔ contact your builder as soon as you discover the problem
- ✔ notify us no later than 30 days after the date you become aware of the problem and return the official claim form no later than 14 days after you've notified us
- ✘ not pay your builder or any sub-trades or suppliers any more money, unless we give you permission to do so
- ✘ not cancel your building contract without our approval.

If your claim is accepted, we can discuss the options with you, which may include entering into another contract with another master builder and/or paying you any money due under your claim.

Non-completion

Once permanent work begins on site, the cover moves from loss of deposit to non-completion. The schedule of payments agreed in the Guarantee contract ensures homeowners do not pay for work in advance. This is an important requirement and provides protection for the homeowner.

To make a claim on this, you must:

- ✔ contact your builder as soon as you discover the problem
- ✔ notify us no later than 30 days after the date you become aware of the problem and return the official claim form no later than 14 days after you've notified us
- ✘ not pay your builder or any sub-trades or suppliers any more money, unless we give you permission to do so
- ✘ not cancel your building contract without our approval.

If your claim is accepted, we can discuss the options with you, which may include entering into another contract with another master builder and/or paying you any money due under your claim.

Materials and workmanship defects

This provides cover if your builder is unable or unwilling to remedy issues with the build as outlined in your contract. This may include where there is a problem with the expected standard of work by the builder or with the materials used in the building work. You have cover for 2 years after practical completion.

If you want to make a claim, you must:

- ✔ contact your builder as soon as you discover a problem
- ✔ notify us no later than 90 days after you discover the defect
- ✔ make a claim on the official claim form no later than 14 days after notifying us of the problem
- ✘ not undertake any work to fix the defect or hire someone else to fix it.

Structural defects (including rot and fungal decay)

This cover protects you if the work carried out by your builder results in structural defects to your home, including a failure of load-bearing functions. You have cover for 10 years after building work is completed from the date your Guarantee was accepted.

If you want to make a claim, you must:

- ✔ notify us no later than 90 days after you discover the defect
- ✔ make a claim on the official claim form no later than 14 days after notifying us of the problem
- ✘ not undertake any work to fix the defect or hire someone else to fix it.

Temporary accommodation

If work is required once you have moved into your home, and you need to vacate, this cover provides for your accommodation costs where a claim is accepted. When making a claim on your Guarantee, we will discuss whether the home is habitable, and provide up to \$10,000 in cover if necessary.

Talk to us

At any point during your Guarantee cover, we'd be happy to hear from you.



Phone:

0800 762 328 or
(04) 385 8999



Email:

claims@masterbuilder.org.nz

Guides for homeowners

For more information and assistance, check out our other guides for homeowners at [masterbuilder.org.nz](https://www.masterbuilder.org.nz)



Master Build 10-Year Guarantee



What to consider before you sign your building contract



What to consider before you start renovating



What to do if something goes wrong when building

About this guide

This guide is intended to provide an overview of the claims process. Please refer to the terms and conditions of the Guarantee for more information on your cover and what you can claim for.

Glossary

Defects	It is normal for there to be minor issues that need to be resolved during the build process. Your builder will address these at key stages in the project. Some of these may require co-ordination with subcontractors. It is important you understand what constitutes a defect. MBIE issues a guide to tolerances which outlines the acceptable levels of workmanship in New Zealand.
Disputes resolution service	A voluntary process which brings the builder and homeowner together for a facilitated discussion. The facilitator is a neutral external party and does not take sides with either the homeowner or the builder. They do not make decisions or provide legal advice, rather they encourage both homeowner and builder to provide options and solutions to reach resolution. This process can help resolve contract and construction issues such as communication, quality, payment, and design.
Insolvency cover	Cover for your build if it is established that your builder goes into liquidation during or after your project.
Master Build Services	A limited liability company, which is 100% owned by Registered Master Builders. It manages the Guarantee.
Notice of Practical Completion	Practical completion is where the building work on your home is finished, except for minor defects or incomplete work that doesn't prevent you from moving in and living in your home. A Notice of Practical Completion is the document that you and your builder sign agreeing that the build has reached practical completion.
Payment schedule	Your contract should include a payment schedule, which means you pay for work as it is completed.