



FRESHFIELDS

Insurance Brokers

NHBRC LATE ENROLMENT GUARANTEES (INFORMATION SHEET)

The law requires all Home Builders to enrol every new home with the National Home Builders Registration Council (NHBRC). Irrespective of selling price, all new homes must be enrolled fifteen (15) days before construction commences. Failure to enrol may result in the Home Builder having to supply the NHBRC with a Bank or Insurance Late Enrolment Guarantee.

Prior to February 2013, Bank Guarantees with 100% Cash Collateral were the only Guarantees accepted by the NHBRC. In February 2013, the NHBRC amended its requirements and now accepts Guarantees from either Banks or Insurance Companies.

INSURANCE GUARANTEE - BENEFITS TO THE HOME BUILDER

BENEFIT	DETAILS
NO FREEZING OF CASH/ASSETS	Bank guarantees require 100% Cash Collateral. Therefore, should you require a bank guarantee for R220 000, your bank will "freeze" R220 000 of your cash/assets for the length of the guarantee period. An NHBRC Late Enrolment Insurance guarantee requires no cash collateral to support the guarantee.
REDUCED PAPERWORK	Application Forms can be submitted online, by fax or by email. Freshfields Insurance Brokers (Pty) Ltd turnaround time, from receipt of the completed Application Form to issuing of the Guarantee, is 5 to 7 working days.
NO FINANCIAL STATEMENTS REQUIRED	Company Financial Statements are NOT required to obtain a NHBRC Late Enrolment Guarantee.
AFFORDABLE ONCE-OFF PREMIUM PAYMENT	The once-off NHBRC Late Enrolment Guarantee Premium is reasonable and affordable.
PREMIUM AND FEE CALCULATIONS	<p>PREMIUM PAYMENT – Payable to the Insurance Company</p> <p>The premium rate is calculated at between 2.75% to 3,5% of the guarantee value required multiplied by the number of years during which the guarantee will be in force.</p> <p>LEGAL DOCUMENT</p> <p>A legal processing and administration invoice of up to R3,500 is charged per guarantee.</p> <p>RISK ASSESSMENT</p> <p>A Risk Assessment invoice of no less than R4,000 is charged per Guarantee and is for your account. The amount is dependent upon the number and location of the residence(s).</p>

National Home Builders Registration Council (NHBRC)

The NHBRC was established to regulate the Home Building Industry by the enforcement of the Housing Consumers Protection Measures Act No 95 of 1998.

Section 14 (1) of the Act states:

A Home Builder shall not commence the construction of a home falling within any category of a Home that may be prescribed by the Minister for the purpose of this section unless:

- a) The Home Builder has submitted the prescribed documents, information and fee to the Council in the prescribed manner;
- b) The Council has accepted the submission contemplated in paragraph a) and has entered it in the records of the Council; and
- c) The Council has issued a certificate of proof of enrolment in the prescribed form and manner to the Home Builder.

Where a Home Builder in contravention of Section 14 of the Act submits an application for the enrolment of a Home to the Council after construction has started, the Council must require the Home Builder to satisfy the Council that the construction undertaken at the time is in accordance with the NHBRC Technical Requirements so as to take prudent measures to manage the risk pertaining to the fund.

The Council may request any Surety, Guarantee, Indemnity or other security considered solely by the Council to satisfy its obligations.

Should you have any queries or require any further information please do not hesitate to contact Megan or Debbie (see contact details below).

CONTACT US

CONTACT NAME	CONTACT DETAILS
Representative working under Supervision: Megan du Plessis	Cell Phone: 066 229 8465 insure@the-facilitators.com
Brokerage: Freshfields Insurance Brokers (Pty) Ltd <small>(Authorised Financial Services Provider No: 3503)</small>	Address: Unit 1, Stellenberg, 363 Pretoria Avenue, Randburg Contact Debbie Mackay: 011 326 1230 Website: www.freshfieldsib.co.za
Insurance Company: SGI Guarantee Acceptances a division of Constantia Insurance Company Ltd	Address: Unit 3, Stellenberg, 363 Pretoria Avenue, Randburg Website: www.sgiga.co.za or www.constantiaigroup.co.za