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Policy Document



Channel Islands - Residential Property

1. INFORMATION

The **Policyholder** is requested to read the Policy and Certificates. These are important documents. If any information is not clear please contact Hepburns Insurance Limited or the **Scheme Administrator**.

This Policy consists of:

1. **INFORMATION** on **Premier Guarantee for Residential Property in the Channel Islands** ;
2. **DEFINITIONS** detailing all Definitions applicable to the Policy;
3. **INSURING AGREEMENT** giving precise details of the cover subject to variation by Endorsement;
4. **ADDITIONAL EXTENSIONS** detailing extensions in cover to the Policy;
5. **EXCLUSIONS** detailing exclusions that apply to the whole Policy;
6. **CONDITIONS** defining the Terms that apply to the whole Policy;
7. **CLAIMS PROCEDURE** detailing the procedures that should be followed when notifying a claim under the Policy;
8. **FINANCIAL LIMITS** detailing the maximum the **Underwriter** will pay in the event of a claim under the Policy, subject to the Indexation Clause detailed in Condition 5 of the Policy;
9. **ENDORSEMENTS** detailing the optional extensions to cover that the **Policyholder** may have selected prior to work commencing under the **Building Contract**

This Policy sets out the insurance cover provided by the **Premier Guarantee for Residential Property in the Channel Islands** scheme.

This insurance cover is subject to a number of definitions, conditions, exclusions and financial limits as detailed in the Policy.

It is a Policy of indemnity and does not provide any cover for any legal liabilities that the **Policyholder** may have to third parties arising out of the use or ownership of the **Residential Unit**.

Unless otherwise stated on the **Initial** and **Final Certificates** the **Premier Guarantee for Residential Property in the Channel Islands** policy provides **Policyholders** with protection in the following ways:

- The **Residential Unit** is insured for a period of 10 years from the date specified in the **Final Certificate** against the risk of **Major Damage** or a defect in the drains. See the Insuring Agreement for details.
- The **Residential Unit** is insured for a period of 9 years from the first anniversary of the date specified in the **Final Certificate** for the ingress of water through the **Waterproof Envelope**. See the Insuring Agreement for details

Law applicable to this Policy

The parties to a contract covering a risk in the United Kingdom are free to choose the law applicable to that contract. In the absence of any written agreement to the contrary the law applicable to this contract shall be the law of England and Wales.

Interpretation

Where any word or expression is given a specific meaning then such word or expression shall, unless the context otherwise requires, have the same meaning wherever it appears.

The Quality of Your Residential Unit

All **Residential Units** insured by **Premier Guarantee for Residential Property in the Channel Islands** are the subject of a thorough system of checks and inspections:

- The **Builder** has to comply with Building Regulations and the authorised Building Control Body involved oversees their work. These Regulations are statutory requirements and are concerned mainly with health and safety, access for the disabled and conservation of fuel and power issues.
- **Site Audit Surveyors** will have completed inspections before the **Final Certificate** was issued. Such inspections are carried out to satisfy the **Underwriter** that the **Residential Unit** represents a normal risk for insurance under **Premier Guarantee for Residential Property in the Channel Islands** should not be inferred that the inspections are for any other purpose.

It is the **Policyholder's** responsibility to ensure that a thorough inspection of the **Residential Unit** is carried out prior to hand-over. If the inspection identifies any defects they should be reported to the **Builder** and remedied prior to completing the purchase.

NOTES

- 1) After a satisfactory final inspection has been carried out by the **Site Audit Surveyor** a **Final Certificate** will be issued for each **Residential Unit**, if requested, confirming cover under the Policy. The **Final Certificate** should be filed with the Policy.
- 2) Extensions in cover at the time of issue of the Policy and subsequent alterations will be confirmed by separate Endorsements, which should be filed with the Policy. The **Policyholder** should refer to these Endorsements and the Policy to ascertain the precise cover in force at any time.

NOTICE TO THE POLICYHOLDER

As a **Policyholder** you have a number of options for making complaints about your **Premier Guarantee for Residential Property in the Channel Islands** policy. These are listed below. Before making any enquiry or complaint please consider carefully the most suitable option to address your concern.

In all cases the Policy/Certificate number appearing in the **Final Certificate** should be quoted

- 1) You will have received advice on the cover provided by the **Premier Guarantee for Residential Property in the Channel Islands** prior to taking out the policy. This advice will have been received from Hepburns Insurance.

B If you wish to make a complaint please contact:

Hepburns Insurance Limited
P.O. Box 732
6/7 Mulcaster Street
St Helier
Jersey JE4 0QJ
Channel Islands

Email: mail@hepburnsinsurance.com
Tel 01534 515151

- 2) MD Insurance Services Ltd acts as the **Scheme Administrator** for the **Premier Guarantee for Residential Property in the Channel Islands**. If you have any complaint about the way in which MD Insurance Services Ltd has performed the duties as the **Scheme Administrator** please contact:

The Complaints Officer
MD Insurance Services Ltd
Haymarket Court, Hinson Street,
Birkenhead CH41 5BX

Email: complaints@premierguarantee.co.uk
Tel 0151 650 4343

A copy of the MD Insurance Services Ltd Complaints Procedure will be provided on request.

- 3) If you have any enquiry or complaint about the insurance provided by the **Premier Guarantee for Residential Property in the Channel Islands** this should in the first instance be addressed to:

MD Insurance Services Ltd
as disclosed agents of Lloyd's Syndicate 4472
(Liberty Syndicates), Haymarket Court, Hinson Street,
Birkenhead CH41 5BX

Email: complaints@premierguarantee.co.uk
Tel 0151 650 4343

or

Lloyd's Syndicate 4472 at (Liberty Syndicates)
5th Floor Plantation South, 60 Great Tower Street,
London EC3R 5AZ

If you are not satisfied with the way a complaint has been dealt with you may ask the Complaints Department at Lloyd's to review your case without prejudice to your rights in law.

The address is:-

Complaints Department, Lloyd's, One Lime Street,
London, EC3M 7HA

Email: enquiries@financial-ombudsman.org.uk

- 4) It is a requirement of the **Premier Guarantee for Residential Property in the Channel Islands** that a **Site Audit Surveyor** carries out inspections to satisfy the **Underwriter** that each **Residential Unit** represents a normal risk for insurance. It should not be inferred that the inspections are for any other purpose.

If you wish to make a complaint against the **Site Audit Surveyor** regarding the way in which they have performed their role you should contact them directly.

Details of the **Site Audit Surveyor** and their Complaints Procedure will be provided by the **Scheme Administrator** on request.

Note:

- A. If after following the procedures set out in 2 to 3 on Page 2 of this Policy, your complaint has not been resolved to your satisfaction, and you are an eligible complainant you have the right to refer the matter to the Financial Ombudsman, at the following address:-

Financial Ombudsman Service
South Quay Plaza,
183 Marsh Wall,
London E14 9SR.

Email: enquiries@financial-ombudsman.org.uk

The Financial Services Authority definition of an eligible complainant is:

- A consumer;
- A micro-enterprise which has a group turnover of less than £1 million;
- A charity with an annual income of less than £1 million;
- A trustee of a trust with a net asset value of less than £1 million.

- B. The **Underwriter** and the **Scheme Administrator** are covered by the Financial Services Compensation Scheme. As a **Policyholder** you may be entitled to compensation from the Financial Services Compensation Scheme if the **Underwriter** and/or **Scheme Administrator** are unable to meet their obligations.

Further information about compensation scheme arrangements is available from the Financial Services Compensation Scheme. Their address is:

Financial Services Compensation Scheme
7th Floor Lloyds Chambers
Portoken Street, London E1 8BN

YOUR RIGHT TO CANCEL

You have the right to cancel cover under the **Premier Guarantee for Residential Property in the Channel Islands**. If you wish to cancel the cover you must do so within 14 days starting on the day after you receive the **Premier Guarantee for Residential Property in the Channel Islands** policy documents. Your cancellation must reach the **Scheme**

Administrator by letter or email. Contact details are:

- Scheme Administrator
MD Insurance Services Ltd
Haymarket Court, Hinson Street
Birkenhead CH41 5BX

Email: enquiries@premierguarantee.co.uk

Please quote your **Premier Guarantee for Residential Property in the Channel Islands** policy number when cancelling. You should be aware that if you choose to cancel the policy, no refund of premium will be paid.

All **Premier Guarantee for Residential Property in the Channel Islands** policy documents should be returned to the **Scheme Administrator** with the cancellation request.

Before cancelling the cover please check with your mortgage lender because they may require you to have this cover or its equivalent as a condition of the loan. Please remember also that if you sell the **Housing Unit** within the period of cover, a purchaser (and any lender at that time) will usually require the cover.

If your **Residential Unit** includes **Common Parts** for which you are jointly responsible with owners of other **Residential Units**, your cancellation will apply to both the cover on your individual **Residential Unit** and the cover for your share of the cost of any claim relating to the **Common Parts**. So if you cancel your cover, you will be obliged under your lease or title to contribute to the cost of repairs along with your neighbours.

2. DEFINITIONS

Wherever any of the following words appear in bold in the Policy wording they will have the undermentioned meaning.

A. BUILDER

Any person, sole trader, partnership or company who constructs the **Residential Unit(s)** at the **New Development**.

B. BUILDING CONTRACT

The contract or agreement between the **Builder** and the **Policyholder** in respect of the construction, conversion, refurbishment or renovation of the **Residential Unit(s)** at the **New Development**.

C. BUILDING PERIOD

The period for each **New Development** commencing on the date specified in the **Initial Certificate** issued by the **Underwriter** and ending on the date of completion noted on the **Certificate of Approval** for the final **New Residential Unit** to be completed at the **New Development**.

D. CERTIFICATE OF APPROVAL

The Certificate issued by the **Site Audit Surveyor** to the **Underwriter** on or following satisfactory completion of each **Residential Unit**.

E. COMMON PARTS

Those parts of a multi-ownership building (of which each **Residential Unit** is part), for a common or general use, for which the **Policyholder** has joint ownership or legal responsibility.

F. EXCESS

As noted on the **Initial** and **Final Certificates** the **Underwriter** shall not be liable for the first part of any payment made in respect of a valid claim under the Policy for a **Residential Unit**.

A separate **Excess** shall apply to each separately identifiable cause of loss or damage for which a payment is made under the Policy by the **Underwriter**, regardless of whether more than one cause of loss is notified at the same time.

G. FINAL CERTIFICATE

The Certificate issued by the **Underwriter** to signify acceptance of each **Residential Unit** for insurance hereunder following issue of the **Certificate of Approval** by the **Site Audit Surveyor**.

H. INITIAL CERTIFICATE

The Certificate issued by the **Underwriter** signifying their agreement to the provision of the insurance cover set out in this Policy subject to receipt of a **Certificate of Approval** for each **Residential Unit**.

I. LIMIT OF INDEMNITY

The liability of the **Underwriter** shall not exceed during the **Period of Insurance** the amount shown as the Sum Insured shown on the **Final Certificate**. The **Limit of Indemnity** is index linked in accordance with Condition 5 of the Policy.

J. MAJOR DAMAGE

- a) Destruction of or physical damage to any portion of the **Residential Unit** for which a **Certificate of Approval** has been received by the **Underwriter**
- b) a condition requiring immediate remedial action to prevent actual destruction of or physical damage to any portion of the **Residential Unit** for which a **Certificate of Approval** has been received by the **Underwriter**

in either case caused by a defect in the design, workmanship, materials or components of the **Structure** which is first discovered during the **Period of Insurance**.

For the purpose of this Policy the definition of **Major Damage** is deemed to include any physical loss, destruction or damage caused by contamination or pollution as a direct consequence of a defect in the design, workmanship materials or components of the **Structure** of the **Residential Unit**.

K. MINIMUM CLAIM VALUE

The amount relating to each and every loss in respect of each **Residential Unit** below which the **Underwriter** has no liability under this Policy. If the loss is greater than the **Minimum Claim**

Value the **Underwriter** will be responsible for the full amount of the **Policyholder's** claim covered by this Policy.

A separate **Minimum Claim Value** shall apply to each separately identifiable cause of loss or damage for which a claim is made under the Policy.

L NEW DEVELOPMENT

A **Residential Unit** or group of **Residential Units** located at the site noted on the **Initial Certificate** for the **New Development** and for which an individual **Final Certificate** is issued for each **Residential Unit**.

For the purpose of this definition **New Development** is not deemed to include any building works other than the **Residential Unit(s)** detailed in the **Initial Certificate**.

M. RESIDENTIAL UNIT

The property described in the **Final Certificate** comprising:

- the **Structure**;
- all non-load bearing elements and fixtures and fittings for which the **Policyholder** is responsible;
- any **Common Parts** retaining or boundary walls forming part of or providing support to the **Structure**;
- any path or roadway providing access for the disabled;
- the drainage system within the perimeter of such property for which the **Policyholder** is responsible,
- any garage or other permanent out-building.

Residential Unit does not include any swimming pool, conservatory, temporary structure, free-standing household appliance, fence, retaining or boundary wall not forming part of or providing support to the **Structure**, any path or roadway not providing access for the disabled

N. PERIOD OF INSURANCE

The period specified in the **Final Certificate** for each **Residential Unit**.

O. POLICYHOLDER

The owner of the property which is the subject of this insurance acquiring a freehold or leasehold interest in a **Residential Unit** within the **New Development** or their successor in title, or any mortgagee or lessor whose interest has been noted under the Policy.

P. SCHEME ADMINISTRATOR

MD Insurance Services Ltd
Haymarket Cour, Hinson Street
Birkenhead, CH41 5BX

Q SITE AUDIT SURVEYOR

The surveyor appointed by the **Underwriter** who carries out checks and inspections solely on behalf of the **Underwriter** behalf and who prior to the issue of the **Final Certificate** issues a **Certificate of Approval**.

R. STRUCTURE

The following elements shall comprise the **Structure** of a **Residential Unit**:

- foundations;
- load-bearing parts of floors, staircases and associated guard rails, walls and roofs, together with load-bearing retaining walls necessary for stability;
- roof covering;
- any external finishing surface (including rendering) necessary for the water-tightness of the external envelope;
- floor decking and screeds, where these fail to support normal loads;

S. UNDERWRITER

Lloyd's Syndicate 4472 (Liberty Syndicates)

T. WATERPROOF ENVELOPE

Waterproof Envelope shall mean the ground floors, external walls, roofs, skylights, windows and doors of a **Residential Unit** but excluding those parts below ground floor slab level unless the Policy has been extended to include Endorsement – Seepage.

3. THE INSURING AGREEMENT

The **Underwriter** will indemnify the **Policyholder** against all claims discovered and notified to the **Underwriter** during the **Period of Insurance** in respect of:

1. The cost of complete or partial rebuilding or rectifying work to the **Residential Unit** which has been affected by **Major Damage** provided always that the liability of the **Underwriter** does not exceed the reasonable cost of rebuilding each **Residential Unit** to its original specification.
2. The cost of making good any defect in the design, workmanship, materials or components in the drainage system which was newly constructed by the **Builder** in connection with the **Residential Unit** and for which the **Policyholder** is responsible.
3. The reasonable costs incurred in repairing, replacing or rectifying any part of the **Waterproof Envelope** within each **Residential Unit** which was newly constructed by the **Builder** as a result of ingress of water caused by a defect in the design, workmanship, materials or components of the waterproofing elements of the **Waterproof Envelope** of each **Residential Unit**.

The **Minimum Claim Value** and/or the **Excess** shall be as specified in the **Initial/Final Certificates**.

A time deductible of 12 months commencing from the date specified in the **Final Certificate** as the commencement of the **Period of Insurance** shall apply in respect of all claims made under section 3.3 above

In the event of a claim under this Policy the **Underwriter** has the option either of paying the cost of repairing, replacing or rectifying any damage resulting from items 1 to 3 above or itself arranging to have such damage corrected.

4. ADDITIONAL EXTENSIONS

In addition, in the event of a claim, the **Underwriter** will, with its written consent, pay within the **Limit of Indemnity**:

A. ADDITIONAL COSTS

Such additional costs and expenses as are necessarily incurred by the **Policyholder** solely in order to comply with Building Regulations or Local Authority or other Statutory Provisions, provided that the **Underwriter** shall not be liable for those costs that would have been payable by the **Policyholder** in the absence of the discovery of a valid claim under the Policy.

B. ALTERNATIVE ACCOMMODATION COSTS

All reasonable additional costs and expenses that are necessarily incurred by the **Policyholder** for a period not exceeding 26 weeks in respect of removal, storage and alternative accommodation whilst the **Residential Unit** is uninhabitable.

C. FEES

Such Architects', Surveyors', Legal, Consulting Engineers' and other fees as are necessarily and reasonably incurred, by the **Policyholder** in relation to the complete or partial rebuilding or rectifying work to the **Residential Unit** but shall not include costs or fees incurred by the **Policyholder** in preparing a claim.

D. REMOVAL OF DEBRIS

For each **Residential Unit** the costs and expenses incurred by the **Policyholder** in respect of:

- a) removal of debris;
- b) dismantling or demolishing;
- c) shoring up.

the **Residential Unit**.

5. EXCLUSIONS

The **Underwriter** shall not be liable to the **Policyholder** for any:

1. ALTERATIONS

Loss or damage due to or arising from any alteration, modification or addition to a **Residential Unit** after the issue of the **Final Certificate** unless the **Underwriter** has been informed, the **Final Certificate** endorsed, and any applicable additional premium paid to the **Underwriter**.

2. CHANGE IN COLOUR

Any change in colour, texture, opacity or staining or other ageing process to any element of the **Residential Unit**.

3. CONSEQUENTIAL LOSS

Consequential loss of any description except as expressly provided for in this Policy.

4. DEFECTS IN EXISTING WORKS

Loss or damage due to or arising out of any defect in the design, workmanship, materials or components of the **Residential Unit** that was installed or constructed prior to the conversion, refurbishment or renovation works that are the subject of this insurance.

5. HUMIDITY

Loss or damage caused by or consequent upon humidity in a **Residential Unit** that is not the direct result of the ingress of water caused by a defect in the design, workmanship, materials or components of the waterproofing elements of the **Waterproof Envelope** of the **Residential Unit**.

6. MAINTENANCE AND USE

Inadequate maintenance of or abnormal use of a **Residential Unit** or the imposition of any load greater than that for which the **Residential Unit** was designed or the use of a **Residential Unit** for any purpose other than that for which it was designed unless the **Underwriter** has been informed, the **Final Certificate** endorsed and any applicable additional premium paid to the **Underwriter**.

7. PERSONAL INJURY

Any costs, losses, expenses or damages for death, bodily injury, disease illness or injury to mental health

8. PRIOR KNOWLEDGE

Anything which would constitute a valid claim under the Policy and about which the **Policyholder** was aware prior to purchasing the **Residential Unit** and as a consequence agreed a reduction in the purchase price for the **Residential Unit** or other contractual remedy.

9. RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS

In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

- i) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- iii) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

- v) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes

- v) any chemical, biological, bio-chemical, or electromagnetic weapon.

10. REASONABLENESS

In the event of a valid claim under the Policy the **Underwriter** shall only be responsible for costs and expenses that a reasonable person would incur if spending their own money. Whenever possible if items can be found to match existing items at a reasonable cost the **Underwriter** will endeavour to facilitate this. However the **Underwriter** will have no liability and will not be responsible for any additional costs if a similar match is not possible at a reasonable cost.

11. SEEPAGE

Loss or damage caused by seepage of water into a **Residential Unit** below ground floor slab level.

12. SETTLEMENT

Loss or damage caused by or consequent upon normal settlement or bedding down of a **Residential Unit**.

13. SONIC BANGS

Loss or damage directly occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

14. SPECIAL PERILS

Loss or damage caused by or consequent upon fire, lightning, explosion, typhoon, hurricane, cyclone, volcanic eruption, earthquake, storm, tempest, flood, subterranean fire or other convulsion of nature, aircraft or other aerial devices or articles therefrom, escapes of water from tanks, apparatus or pipes, malicious persons, theft, attempted theft, impact or any accidental cause.

15. SUBSIDENCE

Loss or damage caused by or consequent upon subsidence, heave or landslip unless such loss or damage is as a result of a defect in the design, workmanship, materials or components of the **Structure** of a **Residential Unit**.

16. TOXIC MOULD

Loss, damage or bodily injury arising out of any pathogenic organisms regardless of any other cause or event that contributed concurrently or in any sequence to that liability.

Pathogenic organisms means any bacteria, yeasts, mildew, viruses, fungi, mould or their spores, mycotoxins or other metabolic products.

17. VERMIN

Loss or damage caused by or consequent upon the actions of rodents, vermin or insect infestation.

18. WAR RISKS

Notwithstanding anything to the contrary contained herein this Policy does not cover loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

19. WATER TABLE

Loss or damage resulting solely from a change in the water table level. This exclusion shall not however apply to any seasonal change in the water table level.

20. WEAR AND TEAR

- a) wear and tear;
- b) normal dampness, condensation or shrinkage;
- c) normal deterioration whether caused by neglect or otherwise.

21. WILFUL ACTS

Any wilful neglect or criminal act of the **Policyholder** or any other party.

6. CONDITIONS

1. ARBITRATION

If any difference shall arise as to the amount to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with the statutory provisions then in force.

2. REINSTATEMENT OF LIMIT OF INDEMNITY

In consideration of the **Limit of Indemnity** not being reduced by the amount of any loss, the **Policyholder** agrees if required by the **Underwriter** to pay:

- i) the pro-rata additional premium on the amount of such loss from the date of notification of claim to the date of expiry of the **Period of Insurance**.
- ii) any **Site Audit Surveyor** fee for the checking of the design and the inspection of any work for the repair or rebuilding of any **Residential Unit** which has been the subject of a claim under this Policy. The **Limit of Indemnity** shall not be reinstated unless a **Certificate of Approval** in respect of such repair or rebuilding work has been issued by the **Site Audit Surveyor**.

3. CONTRIBUTION

If at any time of any occurrence giving rise to a claim under this Policy:

- i) there is, or would but for the existence of this insurance, be any other insurance applicable, or;
- ii) the **Policyholder** has entitlement to any statutory damages or compensation;

this Policy shall be limited to any amount in excess of such insurance, damages or compensation and shall not be called into contribution.

4. FRAUD

If any claim under this Policy shall be in any respect fraudulent, or if any fraudulent means or devices are used by the **Policyholder**, or anyone acting on its behalf, to obtain benefit under this insurance, all benefit hereunder shall be forfeited.

5. INDEXATION

The **Limit of Indemnity, Excess** and **Minimum Claim Value** referred to within the **Final Certificate** will be increased in line with the RICS House Re-Building Index or 12% per annum compound, whichever is the lesser, on each anniversary of the commencement of the **Period of Insurance** of this Policy. For the purpose of settlement of any claim hereunder the **Limit of Indemnity**, as adjusted in accordance with the foregoing provisions, shall be regarded as the **Limit of Indemnity** at the time of discovery by the **Policyholder** of such claim

6. UNDERWRITER'S RIGHTS

In the event of any occurrence which may give rise to a claim under this Policy, the **Underwriter** and its agents shall, with the permission of the **Policyholder**, be entitled to enter the **Residential Unit** in order to carry out rectification works or the complete or partial rebuilding of the property. If such permission is unreasonably withheld the **Policyholder** shall be responsible for any additional costs caused by the delay in carrying out such works.

7. MISREPRESENTATION

This Policy will be voidable ab initio in the event of misrepresentation, misdescription, error, omission or non-disclosure by the **Policyholder** with intention to defraud.

8. RECOVERIES FROM THIRD PARTIES

The **Underwriter** is entitled and the **Policyholder** gives consent to the **Underwriter** to control and settle any claim and to take proceedings at its own expense in the name of the **Policyholder** to secure compensation from any third party in respect of any loss or damage covered by this Policy.

7. CLAIMS PROCEDURE

Notification of a claim

On discovery of any occurrence or circumstance that is likely to give rise to a claim under this Policy the **Policyholder** shall as soon as reasonably possible:

- i) give written notice to Hepburns Insurance Limited, PO Box 732, 6/7 Mulcaster Street, St. Helier, Jersey, JE4 0QJ
- or give written notice to the **Scheme Administrator**;
- ii) take all responsible steps to prevent further loss or damage;
- iii) submit in writing full details of the claim and supply all correspondence, reports, plans, certificates, specifications, quantities, information and assistance as may be required.

8. FINANCIAL LIMITS

The liability of the **Underwriter** shall not exceed during the **Period of Insurance** the **Limit of Indemnity** shown in the **Final Certificate** indexed in accordance with Condition 5 unless the cover has been increased or reinstated by endorsement and the appropriate additional premium paid.

COMMON PARTS

The maximum the **Underwriter** will pay for any claim relating to Common Parts will be the amount the **Policyholder** has a legal liability to contribute towards the cost of repairs, rectification or rebuilding works. Claims are subject to the Limit of Indemnity and the Excess as detailed in the Initial and Final Certificates

9. ENDORSEMENTS

INSOLVENCY OF BUILDER DURING BUILDING PERIOD

During the currency of the **Building Period** the **Underwriter** will indemnify the **Policyholder** against:

- a) the loss of money paid by the **Policyholder** to the **Builder** as a deposit for the construction of the **Residential Unit**
- and/or
- b) the cost of complete or partial rebuilding or partial rebuilding or rectifying work to the **Residential Unit** which has been affected by any defect in design, workmanship, materials or components of the **Structure** affecting or causing physical loss, destruction or damage and/or affecting or causing imminent instability to the **Residential Unit**
- and/or

- c) the additional cost required to complete the **New Development**;

and/or

- d) the cost of reasonable precautions to secure the **New Development**.

Provided that the total loss or cost under this Endorsement does not exceed 10% of the agreed contract price for the **New Development**, less 10% of the contract price valued in accordance with the original contract, for those **Residential Unit(s)** having reached practical completion and arises out of the failure of the **Builder** to complete the construction of the **New Development** due to Insolvency.

SPECIAL CONDITIONS

- 1) If the **Policyholder** withholds, retains or receives back any part of the deposit for the **Residential Unit** the **Underwriter** will be entitled to deduct such amount from monies they would otherwise be obliged to pay under this Endorsement.
- 2) The **Underwriter** is only liable under this Endorsement in respect of the original contract price, as declared, and not in respect of any extras agreed subsequent to the contract.
- 3) The **Policyholder** cannot recover under this Endorsement if they are entitled to make a claim under contract against the **Builder** in respect of liquidated damages or financial penalties of any kind.
- 4) For the purpose of this Endorsement **Builder** shall not be deemed to include any sub-contractor or sub-consultant

Subject otherwise to the Terms, Definitions, Exclusions and Conditions of this Policy.

LOSS OF RENT

In consideration of the payment of the additional premium the **Underwriter** will indemnify the **Policyholder** for loss of rent receivable from existing tenants for a period not exceeding 52 weeks (up to a maximum of 20% of the **Limit of Indemnity** specified in the **Final Certificate**) during which each **Residential Unit** is uninhabitable whilst any incident which is the subject of a claim under this Policy is repaired or rectified.

Subject otherwise to the Terms, Definitions, Exclusions and Conditions of this Policy.

SEEPAGE

In consideration of the payment of the undermentioned additional premium, Policy Exclusion 11 herein is deleted, and the Policy is extended to include the necessary and reasonable costs incurred in repairing, replacing or rectifying any part of the **Waterproof Envelope** within the **Property Insured** specified in the **Final Certificate** during which each **Residential Unit** as a result of ingress of water caused by a defect in the design, workmanship, materials or components of the waterproofing elements of the **Waterproof Envelope** of the **Property Insured** specified in the **Final Certificate** during which each **Residential Unit** below ground level.

The above is endorsed on the Policy provided that such defective or deficient waterproofing is first discovered and notified to the **Underwriter** during the Period of Seepage Insurance as stated below.

This Endorsement does not indemnify the **Policyholder** in respect of;

- 1) any defective or deficient waterproofing first discovered during the twelve months period after the date of inception of this Policy;
- 2) any damage caused by or due to inadequate maintenance of or by abnormal use of or the imposition of any load greater than that for which each **Residential Unit** was designed or the carrying on of any use for which the **Residential Unit** was not designed, or any structural alterations, repairs, or additions to the **Residential Unit** which materially affect the waterproofing quality of the **Residential Unit**;
- 3) any ingress of water into the **Property Insured** to the extent that such ingress of water was planned for or allowed for in the original design.

Period of Seepage Insurance:

Additional Premium: As detailed in the Initial / Final Certificate

Excess: As detailed in the Initial / Final Certificate

Subject otherwise to the Terms, Conditions and Exceptions of this Policy.

PLASTERING EXTENSION

In consideration of the payment of the additional premium the **Underwriter** will indemnify the **Policyholder** against the necessary and reasonable costs incurred with the **Underwriter's** consent, in removing and replacing internal faulty plasterwork within each **Residential Unit** at the **New Development** as a result of defective design, workmanship or materials used in the original process of applying the plasterwork within each **Residential Unit**.

Excess: As detailed in the Initial/Final Certificates

Subject otherwise to the Terms, Definitions, Exclusions and Conditions of this Policy.

SPECIMEN



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MD Insurance Services Ltd is the Scheme Administrator for the Premier Guarantee range of structural warranties.
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