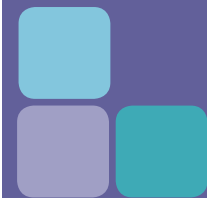


Policy Document

Social Housing | Version 1



1. INFORMATION

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

This Policy consists of:

1. **INFORMATION** on the **Premier Guarantee for Social Housing**;
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 automatic 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. **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.
8. **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 Social Housing**.

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 **Housing Unit**.

Unless otherwise stated on the **Initial** and **Final Certificates** **The Premier Guarantee for Social Housing** provides **Policyholders** with protection in the following ways:

- Each **Housing Unit** is insured for a period of 10 years from the date of issue of the **Certificate of Approval** against the risk of **Major Damage**, ingress of water through the **Waterproof Envelope**, a defect in the drains or a danger to health and safety caused by a defect in chimneys or flues. See Section 3.1 for details.
- The **Land** owned by the **Policyholder** is insured for a period of 10 or 12 years from the date of issue of the **Certificate of Approval** against **Remediation Expenses**. See Section 3.2 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 Housing Unit

All **New Development(s)** insured by **Premier Guarantee for Social Housing** are the subject of a thorough system of checks and inspections prior to and during construction:

- 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 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 **Housing Unit** represents a normal risk for insurance under **Premier Guarantee for Social Housing**. It 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 **Housing Unit** is carried out prior to hand-over. If the inspection identifies any defects they should be reported to the **Developer** 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 the **New Development** confirming cover under Sections 3.1, 3.2 and any optional extensions (as applicable) is in effect.
- 2) The **Policyholder** should look carefully at the details to ensure they have been correctly entered. The **Final Certificate** should be filed with the Policy.
- 3) 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.
- 4) This Policy is transferable to future owners of the **New Development** provided that such owners contact the **Scheme Administrator** to notify their details.

NOTICE TO THE POLICYHOLDER

As a **Policyholder** you have a number of options for making complaints about your **Premier Guarantee for Social Housing** 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 may have received advice on the cover provided by **Premier Guarantee for Social Housing** prior to taking out the policy. This advice may have been given by MD Insurance Services Ltd or another Financial Conduct Authority authorised and approved intermediary.

If the advice was given by MD Insurance Services Ltd and you wish to make a complaint please contact:

The Complaints Officer
2 Shore Lines Building
Shore Road, Birkenhead
Wirral, CH41 1AU

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

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

If advice was given by any other Financial Conduct Authority authorised and approved intermediary you should address your complaint directly to them.

- 2) MD Insurance Services Ltd also acts as the **Scheme Administrator** for **Premier Guarantee for Social Housing**. 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,
2 Shore Lines Building
Shore Road, Birkenhead
Wirral, CH41 1AU

Email: enquiries@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 **Premier Guarantee for Social Housing** this should in the first instance be addressed to:

MD Insurance Services Ltd
2 Shore Lines Building
Shore Road, Birkenhead
Wirral, CH41 1AU

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

or

The Complaints Department
AmTrust Europe Limited
Market Square House
St James's Street
Nottingham
NG1 6FG

AmTrust Europe Limited is authorised and regulated by the UK Financial Conduct Authority

- 4) It is a requirement of **Premier Guarantee for Social Housing** that a **Site Audit Surveyor** carries out inspections to satisfy the **Underwriter** that each **Housing 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** about the way in which they have performed this duty you should contact:

The Complaints Officer,
2 Shore Lines Building
Shore Road, Birkenhead
Wirral, CH41 1AU

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

Note:

- A. If after following these procedures 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 Conduct Authority definition of an eligible complainant is:

- A private individual;
- A business 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. Any Financial Services authorised and regulated intermediary, 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 any of these parties 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,
Portsoken Street,
London, E1 8BN.

2. DEFINITIONS

A. BUILDER

The person or company with whom the **Policyholder** has contracted to erect or refurbish the **New Development(s)**.

B. BUILDING CONTRACT

The contract between the **Builder** and the **Policyholder** in respect of the construction or refurbishment of 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 **Housing 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 **New Development**.

E. COMMON PARTS

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

F. EXCESS

The **Underwriter** shall not be liable for the first part of each and every claim hereunder, known as the **Excess**, made in connection with each **Housing 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 **New Development** or if required each **Housing Unit** for insurance hereunder following issue of the **Certificate of Approval** by the **Site Audit Surveyor**.

H. HOUSING 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.

Housing Unit does not include any swimming pool, 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.

I. 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 the receipt of a **Certificate of Approval** for each **New Development**.

J. 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** or the relevant limit in the Financial Limit section of this policy, whichever is the lesser. The **Limit of Indemnity** is index linked in accordance with Condition 5 of the Policy.

K. MAJOR DAMAGE

- a) Destruction of or physical damage to any portion of the **Housing 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 **Housing 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 **Housing Unit**.

L. MINIMUM CLAIM VALUE

The amount relating to each and every loss in respect of each **Housing 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.

M. NEW DEVELOPMENT

A **Housing Unit** or group of **Housing Units** located at the site noted on the **Initial/Final Certificate** and used wholly or mainly by or for the benefit of the **Policyholder** and constructed by the **Builder**.

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

N. PERIOD OF INSURANCE

The period specified in the **Final Certificate** for the **New Development**.

O. POLICYHOLDER

The Housing Association and/or part or future owners of the property which is the subject of this insurance acquiring a freehold or leasehold interest in each **Housing Unit** within the **New Development** or their successors in title, or any mortgagee or lessor (other than the **Builder**).

P. SCHEME ADMINISTRATOR

MD Insurance Services Ltd,
2 Shore Lines Building
Shore Road, Birkenhead
Wirral, CH41 1AU

Q. SITE AUDIT SURVEYOR

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

R. STRUCTURE

The following elements are deemed to comprise the **Structure** of the **Housing 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

AmTrust Europe Limited.

T. WATERPROOF ENVELOPE

Waterproof Envelope shall mean the ground floors, external walls, roofs, skylights, windows and doors of a **Housing Unit** but excluding those parts below ground floor slab level.

3. THE INSURING AGREEMENT

SECTION 3.1 STRUCTURAL INSURANCE PERIOD

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 **Housing 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 **Housing Unit** to its original specification;
- 2) The cost of making good any defect in the design materials or workmanship in the drainage system which was newly constructed by the **Builder** in connection with the **Housing Unit** and for which the **Policyholder** is responsible;
- 3) The necessary and reasonable costs incurred in repairing, replacing or rectifying any part of the **Waterproof Envelope** within each **Housing 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 **Housing Unit**.
- 4) The cost of repairing or making good any defects in the chimneys and flues of each **Housing Unit** which was newly constructed by the **Builder** causing an imminent danger to the health and safety of occupants.

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

In the event of a claim under this Section the **Underwriter** has the option either of paying the cost of repairing, replacing or rectifying any damage resulting from items 1 to 4 above or itself arranging to have such damage corrected.

SECTION 3.2 CONTAMINATED LAND

The **Underwriter** will with their written consent indemnify the **Policyholder** against all claims discovered and notified to the **Underwriter** during the **Period of Insurance** in respect of **Remediation Expenses** incurred in treating or isolating or removing any substance from the **Policyholder's Land** in a controlled manner in accordance with the requirements of any **Statutory Notice**.

Notes:

- 1) The **Underwriter** shall only be liable for any claims under this Section that are first discovered and reported by the **Policyholder** to the **Underwriter** during the period specified in the **Final Certificate**;
- 2) In the event of a claim under this Section the **Underwriter** has the option either to pay the **Remediation Expenses** or itself have any work necessary for remediation of contamination of **Land** carried out at its own expense;
- 3) The liability of the **Underwriter** under this Section shall not exceed £50,000 for each **Housing Unit**. An aggregate limit of £250,000 for each **New Development** shall apply.

DEFINITIONS APPLICABLE TO SECTION 3.2

Land

The ground that surrounds and supports the **New Development** and which was:

- a) purchased by the initial **Policyholder** with the **New Development** at the same time as the **Building Contract** was entered into or completed;
- b) owned by the initial **Policyholder** when a **Building Contract** was entered into;

together with any land which the **Policyholder** has a legal responsibility under the terms of the **Building Contract**.

Remediation Expenses

Expenses incurred for the investigation, removal or treatment of contamination to the extent required by any **Statutory Notice**.

Statutory Notice

A notice served on the **Policyholder** by a Statutory Authority under the provisions of legislation that requires the **Policyholder** to carry out remediation of contamination.

EXCLUSIONS TO SECTION 3.2

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

- a) Death, bodily injury, sickness, disease or psychiatric damage or shock suffered by any person;
- b) Damage and or expenses to any property and/or any costs association with the remediation of land which is not owned by the **Policyholder**;
- c) Any diminution of the value of any **Housing Unit** due to the existence or former existence (whether actual or alleged) of contamination;
- d) Contamination which first occurs after the date of the construction of the **New Development** under the **Building Contract**;
- e) Any damages, compensation or criminal expenses arising out of or in connection with contamination in, or under the **Policyholder's Land**;
- f) Consequential loss of any description and howsoever arising except as specifically provided for in this Policy.

4. ADDITIONAL EXTENSIONS

In addition, in the event of a valid claim under this Policy, 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 costs that would have been incurred irrespective of the discovery of a claim.

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 **Housing 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 **Housing Unit** but shall not include costs or fees incurred by the **Policyholder** in preparing a claim.

D. REMOVAL OF DEBRIS

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

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

the **Housing Unit**.

5. EXCLUSIONS

This Policy does not cover:

1. ALTERATIONS

Loss or damage due to or arising from any alteration, modification or addition to a **Housing 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. BUILDER'S RESPONSIBILITIES

Loss or damage which appears within a defects liability or maintenance period and which is the responsibility of the **Builder** under the terms of any agreement or **Building Contract** to erect the **Housing Unit**, unless such loss or damage is covered by this Policy.

3. CHANGE IN COLOUR

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

4. CONSEQUENTIAL LOSS

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

5. DEFECTS IN EXISTING WORKS

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

6. HUMIDITY

Loss or damage caused by or consequent upon humidity in a **Housing 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 **Housing Unit**.

7. MAINTENANCE AND USE

Inadequate maintenance of the **Structure** or abnormal use of a **Housing Unit** or the imposition of any load greater than that for which the **Structure** of a **Housing Unit** was designed or the use of a **Housing 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**.

8. PERSONAL INJURY

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

9. PRIOR KNOWLEDGE

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

10. 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:

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

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

11. 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.

12. SEEPAGE

Loss or damage caused by seepage of water into or humidity in a **Housing Unit** below ground level.

13. SETTLEMENT

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

14. SONIC BANGS

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

15. 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.

16. 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 **Housing Unit**.

17. 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.

18. VERMIN

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

19. 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.

20. WATER TABLE

Loss or damage resulting solely from a change in the water table level.

21. WEAR AND TEAR

- a) wear and tear;
- b) normal dampness, condensation or shrinkage;
- c) wilful neglect or criminal act of the **Policyholder**;
- d) normal deterioration whether caused by neglect or otherwise.

22. 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. Any making of an award shall be a condition precedent to any right of action against the **Underwriter**.

2. AUTOMATIC REINSTATEMENT OF THE 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 **Housing 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**. 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 **Housing 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 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 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.

9. THIRD PARTY RIGHTS

A person who is not a party to this Policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Policy but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

7. FINANCIAL LIMITS

The maximum the **Underwriter** will pay for any claim under the various Sections of the Policy is:

- **Section 3.1 Structural Insurance Period**

- i) £750,000 for any one **Housing Unit**.
- ii) £350,000 for any **Housing Unit** that has been converted or refurbished.

or the Sum Insured for the **Housing Unit**, whichever is the lesser.

The Financial Limit for all **Housing Units** in one continuous structure is:

- £5,000,000 for **Housing Units** that have been newly constructed
- £1,250,000 for **Housing Units** that have been converted or refurbished.
- **Section 3.2 Contaminated Land**
 - i) £50,000 for any one **Housing Unit**.
 - ii) £250,000 for all **Housing Units** situated at any one **New Development**.

The Financial Limits for Sections 3.1 and 3.2 are index linked in accordance with Condition 5 of the Policy

- **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 Financial Limits for the individual sections detailed above and the **Minimum Claim Value** and/or **Excess** as detailed in the **Initial** and **Final Certificates**.

- **Endorsement - Insolvency of Builder during the Building Period**

If the Endorsement is selected a total of up to 10% of the agreed contract price for the **New Development**.

8. ENDORSEMENTS

INSOLVENCY OF BUILDER DURING BUILDING PERIOD

In consideration of the payment of the additional premium the **Underwriter** will indemnify the **Policyholder** during the currency of the **Building Period** against:

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

and/or
- b) 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 **Housing 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 or fraud.

Note 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 26 weeks (up to a maximum of 20% of the **Limit of Indemnity** specified in the **Final Certificate**) whilst the **Housing 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.

PLASTERING EXTENSION

In consideration of the payment of the additional premium this Policy is extended to include the necessary and reasonable costs incurred by the **Policyholder**, with the **Underwriter's** consent, in removing and replacing internal faulty plasterwork within each **Housing 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 **Housing Unit**.

Excess

The first 20% of each and every loss with a minimum of £750.

For the purpose of this Endorsement loss shall be deemed to mean either each and every claim in respect of each **Housing Unit** or each and every cause of claim affecting more than one **Housing Unit** at the **New Development**.

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

SOUND TRANSMISSION

In consideration of the payment of the additional premium this Policy is extended to include the necessary and reasonable costs incurred by the **Policyholder**, with the **Underwriter's** consent, for the complete or partial rebuilding or rectification work to each **Housing Unit** at the **New Development** caused solely by the transmission of airborne and/or impact sound due to a failure to comply with the appropriate Building Regulations.

Excess

The first 20% of each and every loss with a minimum of £750.

For the purpose of this Endorsement loss shall be deemed to mean either each and every claim in respect of each **Housing Unit** or each and every cause of claim affecting more than one **Housing Unit** at the **New Development**.

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

9. CLAIMS PROCEDURE

Before making a claim under the Policy please check your **Certificate of Insurance** to see the sections of cover that are provided for each **Housing Unit**.

9.1 Notification of a claim after the Housing Unit is complete under Section 3.1 of the Policy.

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

- i) 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.

Major Damage is:

- a **Defect** in a load bearing element of the **Housing Unit** causing damage;
- a **Defect** in below-ground drainage for which the **Policyholder** is responsible;
- a **Defect** in any of the elements of the **Waterproof Envelope** causing ingress of water;

The scope of cover for **Major Damage** is set out in Section 3.1 of the Policy and should be read together with the Exclusions and Conditions of the Policy.

This section of the Policy also provides cover for a **Defect** in newly constructed chimneys or flues causing an imminent danger to health and safety.

Cover for this section of the Policy commences from the date set out on the **Certificate of Insurance** for a period of 10 or 12 years with the agreement of the **Underwriter**, unless stated otherwise in the Initial and/or the **Certificate of Insurance**.

9.2 Notification of a Remediation Expenses claim under Section 3.2 of the Policy

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

- i) 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.

The scope of cover for **Contaminated Land** is set out in Section 3.2 of the Policy and should be read together with the Exclusions and Conditions of the Policy.

Cover for **Contaminated Land** commences from the date set out in the Certificate of Insurance for a period of 10 years, or 12 years with the agreement of the **Underwriter**, unless stated otherwise in the Initial and/or the **Certificate of Insurances**.



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