

Policy Document

Commercial Buildings | Version 6



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 **Premier Guarantee for Commercial Buildings**;
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 CONDITIONS** detailing the terms that apply in the event of a claim under the Policy;
8. **CLAIMS NOTIFICATION PROCEDURES** detailing the procedures that should be followed when notifying a claim under any sections of the Policy.
9. **FINANCIAL LIMITS** detailing the maximum the **Underwriter** will pay in the event of a claim under any of the sections of the Policy;

This Policy sets out the insurance cover provided by **Premier Guarantee for Commercial Buildings**.

This insurance cover is subject to a number of definitions conditions and exclusions 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 **Property Insured**.

Premier Guarantee for Commercial Buildings provides **Policyholders** with protection a number of ways as detailed below:

The **Property Insured** is insured for a period of 10 years from the date specified in the **Certificate of Insurance**. Applicable sections of cover may include insurance against:

- the risk of **Major Damage**.
- the reasonable costs of repairing, replacing or rectifying any part of the **External Car Parking and Roads** as a result of destruction or physical damage from a cause as specifically detailed in section 3.1.2 of this policy;
- **Remediation Expenses** in relation to the **Land** owned by the **Policyholder**. See Section 3.2 for details;

- the cost of any repair, replacement or rectification cost as a result of a present or imminent danger to the physical health and safety of the occupants of the **Property Insured** because the **Property Insured** does not comply with Building Regulations that applied to the work at the time of construction, conversion, refurbishment or renovation works carried out under the **Building Contract**. See Section 3.3 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 **Policyholder** is requested to read this Policy and if it is incorrect return it immediately for alteration.

NOTE:

1. **Site Audit Surveyors** will have completed inspections before the **Certificate of Insurance** was issued. Such inspections are carried out to satisfy the **Underwriter** that the **Property Insured** represents a normal risk for insurance under **Premier Guarantee for Commercial Buildings**. It should not be inferred that the inspections are for any other purpose.
2. After a satisfactory final inspection has been carried out by the **Site Audit Surveyor** a **Certificate of Insurance** will be issued confirming cover under the Policy. The **Certificate of Insurance** 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 **Property Insured** 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 Commercial Buildings** 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 **Certificate of Insurance** should be quoted.

- 1) You may have received advice on the cover provided by **Premier Guarantee for Commercial Buildings** 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,
MD Insurance Services Ltd,
2 Shore Lines Building
Shore Road, Birkenhead
Wirral, CH41 1AU
Email: complaints@premierguarantee.co.uk
Tel. 08444 120 888

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 Commercial Buildings**. 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: complaints@premierguarantee.co.uk
Tel 08444 120 888

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 Commercial Buildings** this should in the first instance be addressed to:

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

Email: complaints@premierguarantee.co.uk
Tel 08444 120 888

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.

Note:

- A. If after following the procedures set out in 1 to 3 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: complaint.info@financial-ombudsman.org.uk

The Financial Conduct 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. 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

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

1. APPROVED INSPECTOR

Any person, sole trader, partnership or company authorised by the Construction Industry Council who carries out Building Control for the **Property Insured** and who is registered with the **Premier Guarantee for Commercial Buildings**

2. BUILDING CONTRACT

The Contract or Contracts for the construction, conversion, refurbishment or renovation of the **Property Insured**.

3. BUILDING WORKS

The works to be carried out under the **Building Contract**.

4. CERTIFICATE OF APPROVAL

The Certificate issued by the **Site Audit Surveyor** to the **Underwriter** and accepted by them prior to the date of inception of this Policy.

5. CERTIFICATE OF INSURANCE

The Certificate issued by the **Underwriter** to signify acceptance of the **Property Insured** for insurance hereunder following issue of the **Certificate of Approval** by the **Site Audit Surveyor**

6. EXCESS

As noted on the **Initial Certificate** and **Certificate of Insurance** the **Underwriter** shall not be liable for the first part of any payment made in respect of a valid claim under the Policy for the **Property Insured**.

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.

7. EXTERNAL CAR PARKING AND ROADS

Any external area including associated drainage used for the parking of vehicles or external roadway or external path within the perimeter of the **Property Insured**.

8. FINAL CERTIFICATE

The Certificate issued by the **Approved Inspector** following completion of Building Control for the **Property Insured**

9. 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 the **Property Insured**.

10. LIMIT OF INDEMNITY

The liability of the **Underwriter** shall not exceed during the **Structural Insurance Period** the amount shown as the Sum Insured shown on the **Certificate of Insurance**, 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 4 of the Policy.

11. MAJOR DAMAGE

- a) Destruction of or physical damage to any portion of the **Property Insured** for which a **Certificate of Insurance** has been issued by the **Underwriter**;
- b) A condition requiring immediate remedial action to prevent actual destruction of or physical damage to any portion of the **Property Insured** for which a **Certificate of Insurance** has been issued by the **Underwriter**;

in either case caused by a defect in the design, workmanship materials or components of:

- the **Structure**; or
- the waterproofing elements of the **Waterproof Envelope**;
or
- below-ground drainage for which the **Policyholder** is responsible;

which is first discovered during the **Structural Insurance Period**.

12. POLICYHOLDER

The person(s) named in the **Certificate of Insurance** and their successors in title and assignees and such other persons as are described in the **Certificate of Insurance** to the extent of their respective rights and interests in the **Property Insured**.

13. PREMIER GUARANTEE FOR COMMERCIAL PROPERTY

The Policy containing the insurance cover provided by the **Underwriter**.

14. PROPERTY INSURED

The whole and any and every part of the building(s) and **Building Works** carried out thereto at the address stated in the **Certificate of Insurance** comprising:

- a) structural works - all internal and external load bearing structures.
- b) other works:
 - i) all other non load bearing parts of the building;
 - ii) landlord's fixtures and fittings including all permanent electrical and mechanical apparatus;
 - iii) all external non-structural works owned by the **Policyholder** located within the perimeter fencing of the building.

15. SCHEME ADMINISTRATOR

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

16. SITE AUDIT SURVEYOR

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

17. STRUCTURE

The following elements shall comprise the **Structure** of the **Property Insured**:

- foundations;
- floors, ceilings and staircases and associated guard rails, walls and roofs, together with load-bearing retaining walls necessary for stability;
- internal walls and fixed partitions;
- any external walls, external doors, external windows, cladding and glazed curtain walling and other similar non load bearing facings and their fixings or other finishing surface (including rendering) necessary for the water-tightness of the **Waterproof Envelope**;
- roof covering;

- All other external and internal load bearing elements essential to the stability and strength of the **Property Insured**.

18. STRUCTURAL INSURANCE PERIOD

The period specified in the **Certificate of Insurance** for each **Property Insured**.

19. UNDERWRITER

AmTrust Europe Limited

20. WATERPROOF ENVELOPE

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

3. THE INSURING AGREEMENT

SECTION 3.1 STRUCTURAL INSURANCE

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

1. The cost of complete or partial rebuilding or rectifying work to the **Property Insured** which has been affected by **Major Damage** provided always that the liability of the **Underwriter** does not exceed the reasonable cost of rebuilding each **Property Insured** to its original specification;
2. The reasonable costs of repairing, replacing or rectifying any destruction of or physical damage to the **External Car Parking and Roads** within the **Property Insured** resulting in:
 - i) settlement giving rise to a loss of safe passage for
 - ii) motor vehicles, pedestrians or people in wheelchairsand/or
 - iii) inability to utilise more than 10% of the total space allocated for car parking in the **External Car Parking and Roads** as a result of water logging for a continuous period in excess of seven days.

The **Excess** shall be as specified in the **Initial/Certificate of Insurance**.

A Time Deductible of 12 months commencing from the date specified in the **Certificate of Insurance** as the commencement of the **Structural Insurance Period** shall apply in respect of any claim made for either Section 3.1.2 of the Policy or for a defect in the design, workmanship materials or components of the waterproofing elements of the **Waterproof Envelope**.

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 2 above or itself arranging to have such damage corrected.

SECTION 3.2 CONTAMINATED LAND

The **Underwriter** will indemnify the **Policyholder** against all claims discovered and notified to the **Underwriter** during the **Structural Insurance Period** 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. Unless otherwise agreed by the **Scheme Administrator** this part of the cover only applies if the **Site Audit Surveyor** has carried out the Building Control function. The **Certificate of Insurance** will show if cover is applicable. It only applies in England and Wales;
2. 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 **Certificate of Insurance**;
3. 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.

DEFINITIONS APPLICABLE TO SECTION 3.2

• Land

The ground that surrounds and supports the **Property Insured** and which was:

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

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

• Remediation Expenses

Reasonable 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 the **Property Insured** due to the existence or former existence (whether actual or alleged) of contamination;
- d) Contamination which first occurs after the date of the original sale of the **Property Insured** to the initial **Policyholder**;
- e) Any damages payable to third parties, 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 expressly provided for in this Policy.
- g) contamination that migrates onto the **Land** after commencement of the **Building Works**.

SECTION 3.3 ADDITIONAL COVER FOR APPROVED INSPECTOR BUILDING CONTROL FUNCTION

The **Underwriter** will indemnify the **Policyholder** during the **Structural Insurance Period** against the cost of repairing, replacing or rectifying the **Property Insured** where such repair, replacement or rectification cost is the result of a present or imminent danger to the physical health and safety of the occupants of the **Property Insured** because the **Property Insured** does not comply with Building Regulations that applied to the work at the time of construction, conversion or refurbishment in relation to the following:

- Structure
- Fire Safety
- Site preparation and resistance to moisture
- Hygiene
- Drainage and waste disposal
- Heat-producing appliances
- Protection from falling, collision and impact
- Glazing – safety in relation to impact opening and cleaning.

Notes:

1. Unless otherwise agreed by the **Scheme Administrator** this section of the cover only applies if the **Site Audit Surveyor** has carried out the Building Control function. The **Certificate of Insurance** will show if cover is applicable. It only applies in England and Wales.

EXCLUSIONS TO SECTION 3.3.

1. Anything which the **Underwriter** would pay for under another Section of this Policy.

2. Any claim in respect of site preparation and resistance to moisture, relating to ground that is outside the foundations of the **Property Insured**.

4. ADDITIONAL EXTENSIONS

In addition, in the event of a claim, the **Underwriter** will, with their 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. 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 **Property Insured** but shall not include costs or fees incurred by the **Policyholder** in preparing a claim.

C. REMOVAL OF DEBRIS

For each **Property Insured** the costs and expenses incurred by the **Policyholder** in respect of:

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

the **Property Insured**.

5. EXCLUSIONS (Applicable to all Sections)

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 the **Property Insured** after the issue of the **Certificate of Insurance** unless the **Underwriter** has been informed, the **Certificate of Insurance** endorsed, and any applicable additional premium paid to the **Underwriter** or, if the premium is being paid over the course of the Insurance Period, the additional premium being paid as part of future instalments.

2. CHANGE IN COLOUR

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

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 **Property Insured** that was installed or constructed prior to any conversion, refurbishment or renovation works that are the subject of this insurance.

5. HUMIDITY

Loss or damage caused by or consequent upon humidity in the **Property Insured** 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 **Property Insured**.

6. MAINTENANCE AND USE

Inadequate maintenance of or abnormal use of the **Property Insured** or the imposition of any load greater than that for which the **Property Insured** was designed or the use of the **Property Insured** for any purpose other than that for which it was designed unless the **Underwriter** has been informed, the **Certificate of Insurance** endorsed and any applicable additional premium paid to the **Underwriter** or, if the premium is being paid over the course of the Insurance Period, the additional premium being paid as part of future instalments.

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 **Property Insured** and as a consequence agreed a reduction in the purchase price for the **Property Insured** or other contractual remedy.

9. PROPERTY NOT INSURED

Loss or damage to 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**.

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:

- 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;
- iv) 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.

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. SETTLEMENT

Loss or damage caused by or consequent upon normal settlement or bedding down of the **Property Insured**.

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 the **Property Insured**.

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

- i) wear and tear;
- ii) normal dampness, condensation or shrinkage;
- iii) 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. AVERAGE (Applicable to Section 3.1 only)

The proportional reduction for under-insurance will only apply if the full replacement cost of the **Property Insured** exceeds the original Sum Insured increased by the percentage indexation factor specified in the Policy over the period expired since inception of the Policy, to the date of notification of the claim.

Should the proportional reduction for the under-insurance apply, the **Policyholder** shall only be entitled to recover such proportion of the said adjusted loss as the adjusted Sum Insured herein bears to the full replacement cost. Notwithstanding the foregoing, the Limit of Indemnity stated in the Policy shall not be increased unless amended by the terms of Condition 6 of this Policy.

2. 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.

3. 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.

4. INDEXATION

The **Limit of Indemnity** and **Excess** referred to within the **Certificate of Insurance** will be increased by 5% per annum compound, on each anniversary of the commencement of the **Structural Insurance Period** for 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

5. 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 **Property Insured** 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.

6. MID-TERM ALTERATION

The **Policyholder** may, from time to time, request an increase in the Sum Insured stated in the **Certificate of Insurance** by written application to the **Underwriter** and if the increase is accepted, cover will commence upon payment of such additional premium as the **Underwriter** may require or, if the premium is being paid over the course of the Insurance Period, the additional premium being paid as part of future instalments.

Before agreement to such increase, the **Underwriter** has the right to request the **Policyholder** to arrange an examination of the **Property Insured** by the **Site Audit Surveyor** at the **Policyholder's** own expense.

7. MISREPRESENTATION

This Policy will be voidable from inception 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 but in the name of the **Policyholder** to secure compensation from any third party in respect of any loss or damage covered by this Policy.

However the **Underwriter** waives their rights of subrogation against the architect responsible for the design of the **Property Insured** when the architect is a member of the Royal Institute of British Architects or the Chartered Institute of Architectural Technologists.

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.

10. NON-RECEIPT OF INSTALMENT PAYMENT

If the premium is being paid in instalments over the course of the Insurance Period, if an instalment is not received on the agreed date, the **Scheme Administrator** and/or the **Underwriter** have the right to cancel the policy 30 days from the date the instalment was due.

7. CLAIMS CONDITIONS

1. BASIS OF LOSS SETTLEMENT

On the discovery of **Major Damage** causing: sections 3.1

- i) physical damage to the **Property Insured**, the basis of settlement of the claim shall be the cost of repairing, replacing, renewing and/or strengthening of the **Property Insured** to a condition substantially the same as but not better than nor more extensive than its condition when new;
- ii) a condition requiring immediate remedial action to prevent destruction of or physical damage to the **Property Insured**, the basis of settlement of the claim shall be such costs incurred to prevent the destruction of or damage to the **Property Insured** within the **Structural Insurance Period**.

However, only to the extent the costs claimed had to be borne by the **Underwriter** and to the extent they are included in the Sum Insured and provided always that the Provisions and Conditions of this Policy have been complied with.

The cost of any provisional repairs will be borne by the **Underwriter** if such constitute part of the final repairs and do not increase the total repair expenses.

The cost of any alterations, additions and/or improvements shall not be recoverable under this Policy except as provided for within the provisions of Clause A of Additional Extensions.

2. FRAUDULENT CLAIMS

If any claim is fraudulent or if any fraudulent means or devices be used by the **Policyholder** or any person acting on behalf of the **Policyholder** and that person is entitled to receive any part of the proceeds of insurance hereunder in order to obtain any benefit under this Policy or if any damage be occasioned by the wilful act of or with the connivance of the **Policyholder**, all benefit under this Policy will be forfeited.

3. 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 **Structural Insurance Period** relative to the **Property Insured**.
- ii) any **Site Audit Surveyor** fee for the checking of the design and the inspection of any work for the repair or rebuilding of the **Property Insured** 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**.

4. 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**.

8. CLAIMS PROCEDURE

Before making a claim under the Policy please check your Certificate of Insurance to see the sections of cover that are provided by the Policy.

8.1 Notification 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.

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

Cover for **Structural Insurance** commences from the date set out on the **Certificate of Insurance** for a period of 10 years,

8.2 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 on the **Certificate of Insurance** for a period of 10 years,

8.3 Notification of a claim under Section 3.3 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 **Approved Inspector Building Control Function** is set out in Section 3.3 of the Policy and should be read together with the Exclusions and Conditions of the Policy.

Cover for the **Approved Inspector Building Control Function** commences from the date set out in the **Certificate of Insurance** for a period of 10 years.

9. FINANCIAL LIMITS

The maximum the **Underwriter** will pay for all claims under all sections of the policy is £10,000,000

The maximum the Underwriter will pay for any claim under the various sections of the policy is:

A. Section 3.1 Structural Insurance

The maximum the **Underwriter** will pay for all claims relating to the **Property Insured** is the cost of reconstruction of the **Property Insured** or £10,000,000, whichever is the lesser.

B. Section 3.2 Contaminated Land

The maximum the **Underwriter** will pay for all claims relating to the **Property Insured** under Section 3.2 of the Policy is £250,000

C. Section 3.3- Additional Cover for Approved Inspector Building Control Function.

The Financial Limit for a claim under this Section of the Policy is the original cost of the work covered by the appointed **Approved Inspector's Building Control Final Certificate**.

INDEXATION

The Financial Limits are index linked in accordance with Condition 4 of the Policy.



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