



# Policy Documents

Private Rental | Version 1





# Introduction

Welcome to your **Premier Guarantee for Private Rental insurance Policy**. Although problems with the **Home** are unlikely, the **Premier Guarantee for Private Rental Policy** provides you with the comfort that particular types of problems which may occur in the first ten years after the **Home** is built are corrected.

You should ensure that you are aware of what is covered by your **Premier Guarantee for Private Rental Policy**, by reading these Terms and Conditions in conjunction with your **Development Initial Certificate/Home Initial Certificate** and/or your **Certificate of Insurance** and any endorsements attached to them.

Please note that the **Policy** is a policy of indemnity and does not provide any cover for any legal liabilities that you may have to third parties arising out of the use or ownership of the **Home**.

The **Policy** is subject to a number of definitions, conditions, exclusions and **Financial Limits**: if you have any questions or require further guidance then please contact us on 08444 120 888.


## How to make a Claim

If things go wrong with the **Home** we aim to work with you to ensure that we can get the **Home** back to normality as quickly as possible.

If you feel you have a valid claim, please check your **Development Initial Certificate/Home Initial Certificate** or your **Certificate of Insurance** (as appropriate) to ensure that cover is included. You should also refer to the relevant section to obtain full details of what we will require from you should you make a claim. You can contact our claims team on 08444 120 888, email [claims@premierguarantee.co.uk](mailto:claims@premierguarantee.co.uk) or you can write to us.



**Gary Devaney**  
Chairman and CEO



**Premier Guarantee** is a brand name for a range of structural warranties arranged by MD Insurance Services Limited. MD Insurance Services Limited is authorised and regulated by the Financial Conduct Authority (FCA). MD Insurance Services Limited is a managing general agent for the insurer AmTrust Europe Limited. Its registered office is at 2 Shore Lines Building, Shore Road, Birkenhead, Wirral, CH41 1AU.

For details of our FCA authorisation, visit [www.fca.org.uk](http://www.fca.org.uk).

## TERMS AND CONDITIONS OF INSURANCE

These Terms and Conditions of Insurance consist of:

1. **INFORMATION on Premier Guarantee for Private Rental.**
2. **DEFINITIONS AND INTERPRETATION**, detailing all definitions and rules of interpretation applicable to the **Policy**.
3. **THE TYPES OF INSURANCE COVER** giving precise details of the cover, as applicable, any special conditions or specific exclusions, the **Financial Limits** and how to make a claim:
  - **Section 3.1 – Defects Insurance Period (Year 1).**
  - **Section 3.2 – Structural Insurance Period (Years 2 to 10).**
  - **Section 3.3 – Contaminated Land.**
  - **Section 3.4 – Additional Cover for Approved Inspector Building Control Function.**
4. **ADDITIONAL COVER** detailing automatic extensions in cover to the **Policy**.
5. **EXCLUSIONS** detailing exclusions that applies to the whole **Policy**.
6. **CONDITIONS** applicable to the whole **Policy**.
7. **DISPUTE RESOLUTION SERVICE AND ALTERNATIVE OPTIONS** detailing the process for the **Dispute Resolution Service** and other dispute resolution options available.
8. **HOW TO MAKE A COMPLAINT** detailing the options you have for making a complaint about the **Policy**.

# 1. Information

We can provide **Policyholders** with protection in a number of ways. It should, however, be noted that all sections of the **Policy** may not necessarily be applicable for every **Home**. The **Development Initial Certificate/Home Initial Certificate** and **Certificate of Insurance** will detail the exact cover provided.

In order to illustrate the service which we provide, the following bullet points provide examples of the kinds of cover which a typical **Policy** might provide.

- During the first 12 or 24 months from the date of completion of the **Home**, or the date specified in the **Certificate of Insurance**, the **Builder** is responsible for remedying **Defects** and resultant damage to the **Home**. Should the **Builder** unjustifiably refuse to remedy the **Defect** and resultant damage (including after the use of the **Dispute Resolution Service** where applicable) and/or fails to do so because of **Insolvency**, then the **Underwriter** will meet valid claims under the **Policy**. See sections 3.1 and 7 for details.
- Insuring the **Home** for a period of 9 or 8 years from expiry of the **Defects Insurance Period** against:
  - the risk of **Major Damage** to the **Structure** of the **Home**. See Section 3.2 for details.
  - a danger to health and safety caused by a **Defect** in chimneys or flues. See Section 3.2 for details.
  - **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**. See Section 3.3 for details.
  - The cost of any repair, replacement or rectification as a result of a present or imminent danger to the physical health and safety of the occupants of the **Home** because the **Home** 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 **Contract**. See Section 3.4 for details.

It should be noted that the examples provided above are given for illustrative purposes only. Since each contract of insurance will differ according to individual requirements, the **Policyholder** should refer to the **Home Initial Certificate / Certificate of Insurance** and the **Policy** to ascertain the precise cover in force at any time

## THE QUALITY OF YOUR HOME

All **Homes** insured under a **Policy** are the subject of a system of checks and inspections:

- The **Builder** has to comply with **Building Regulations** and the authorised **Building Control** Body involved inspects 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.
- The **Builder** has been issued with Premier Guarantee's **Technical Manual**. This sets out the functional requirements the **Builder** has to comply with when constructing a **Home**.
- **Surveyors** will have completed inspections before the **Certificate of Insurance** was issued. Such inspections are carried out solely for the purpose of satisfying the **Underwriter** that the **Home** represents a normal risk for insurance under **Premier Guarantee for Private Rental**. It should not be inferred that the inspections are for any other purpose.

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

- The **Building Control** function will have been undertaken by either a Local Authority or an **Approved Inspector**.
- If the Local Authority has carried out **Building Control** and a **Certificate of Approval** has been issued by the **Surveyor** then, subject to satisfaction of all **Policy** conditions, a Cover Note will be issued, if requested, for the **Home**.
- If **Building Control** has been undertaken by an **Approved Inspector** and;
  - a) a satisfactory final inspection has been carried out by the **Surveyor**; and
  - b) the **Approved Inspector** has confirmed that they are not aware of any circumstances that would restrict their ability to issue a **Final Certificate**; and
  - c) subject to satisfaction of all **Policy** conditions;

then a Cover Note will be issued, if requested, for the **Home** confirming that cover under Sections 3.1, 3.2, 3.3 and/or 3.4 (as applicable) is in effect.

- A **Certificate of Insurance** will be issued to the **Policyholder** after issue of the Cover Note provided that a **Certificate of Approval** has been issued by the **Surveyor** and, if applicable, a **Final Certificate** has been issued by the **Approved Inspector** and subject to satisfaction of all **Policy** conditions. The **Certificate of Insurance** should be filed with the **Policy**.
- Any extensions in cover at the time of issue of the **Policy** and subsequent alterations will be confirmed by separate endorsements, which should also 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.
- This **Policy** is transferrable to future owners of the **Home**.

## YOUR RIGHT TO CANCEL

You have the right to cancel cover under the **Policy**. 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 Private Rental Policy** documents. Your request to cancel must reach the **Scheme Administrator** by letter or email. Contact details are:

Scheme Administrator,  
MD Insurance Services Limited,  
2 Shore Lines Building,  
Shore Road,  
Birkenhead,  
Wirral,  
CH41 1AU

Email: [customerservices@premierguarantee.co.uk](mailto:customerservices@premierguarantee.co.uk)

You should make any request for the cancellation of a **Policy** in writing or by email and any relevant **Certificate of Insurance** should be promptly returned to the **Scheme Administrator**. In the event of cancellation, charges for our services will apply as follows:

### Cancellation prior to Certificate of Insurance being issued

As construction contracts can be of varying duration and there is always a technical audit, our fees will vary depending on the stage at which notice of cancellation is given. An administration fee will also be charged.

### Cancellation following Certificate of Insurance being issued

- a) If a third party has completed the proposal form or paid the premium, you will not be entitled to a refund of any premium or any other monies. The premium or any other monies can only be paid back to the party who originally paid the premium or any other monies and who still has an insurable interest in the property.
- b) If you have completed a proposal form and paid the premium, you may be entitled to a refund. This will take into account the period during which cover has been in force, plus an administration fee.

Please remember that if you sell the **Home** within the period of cover, a purchaser (and any lender at that time) will usually require the cover to be in place.

If the **Home** includes **Common Parts**, your cancellation will apply to both the cover on your individual **Home** and the cover for your share of the cost of any claim relating to the **Common Parts**. You may be obliged to contribute to the cost of repairs along with other **Policyholders** who share the **Common Parts** and this may include the costs of repairs which would otherwise be covered under the **Policy**.

## 2. Definitions and Interpretation

### 2.1 DEFINITIONS

Wherever any of the following words or expressions are used in the **Policy** (including in the welcome and introductory pages), then such word or expression shall, unless the context otherwise requires, have the meaning given below. Where a word is given a particular contractual meaning, it will appear throughout the contract **in bold**.

<b>APPROVED INSPECTOR</b>	Any person, sole trader, partnership, company or other organisation authorised by the Construction Industry Council who or which carries out <b>Building Control</b> for the <b>New Development</b> and who or which is registered with <b>Premier Guarantee</b> .
<b>BUILDER</b>	Any person, sole trader, partnership, company or other organisation who or which constructs the <b>Home(s)</b> at the <b>New Development</b> and which the <b>Policyholder</b> has entered into a <b>Contract</b> to purchase, or agreement to construct, the <b>Home/s</b> at the <b>New Development</b> .
<b>BUILDING CONTROL</b>	The function of checking that building work has been carried out in accordance with the <b>Building Regulations</b> (England and Wales), Building Standards (Scotland) and associated legislation.
<b>BUILDING PERIOD</b>	The period commencing on the date specified in the <b>Home Initial Certificate</b> issued for the <b>Home</b> by the <b>Scheme Administrator</b> on behalf of the <b>Underwriter</b> and ending upon the date the <b>Certificate of Approval</b> is issued for the <b>Home</b> at the <b>New Development</b> .
<b>BUILDING REGULATIONS</b>	The Building Regulations (Building Standards in Scotland )– are a set of standards for the design and construction of new and altered buildings.
<b>CERTIFICATE OF APPROVAL</b>	The certificate issued by the <b>Surveyor</b> to the <b>Scheme Administrator</b> on behalf of the <b>Underwriter</b> on or following satisfactory completion of the <b>Home</b> .
<b>CERTIFICATE OF INSURANCE</b>	The certificate issued by the <b>Scheme Administrator</b> on behalf of the <b>Underwriter</b> to signify acceptance of a <b>Home</b> for insurance under this <b>Policy</b> following issue of the <b>Certificate of Approval</b> by the <b>Surveyor</b> and satisfaction of all <b>Policy</b> conditions.
<b>COMMON PARTS</b>	Those parts of a multi-occupancy building (of which the <b>Home</b> is part) for which the <b>Policyholder</b> is legally obliged to contribute for the cost and upkeep with the owners of other parts of such building, or by way of contribution to the <b>Management Company</b> .
<b>CONTINUOUS STRUCTURE</b>	A single building or structure containing more than one unit of housing (such as blocks of flats or terraces) which does not rely on any other building or structure to sustain and transmit combined loads safely to the ground.
<b>CONTRACT</b>	The contract or agreement between the <b>Builder</b> and the <b>Policyholder</b> in respect of the purchase, construction, conversion, refurbishment and/or renovation of the <b>Home(s)</b> at the <b>New Development</b> .
<b>DEFECT</b>	<p>A failure to comply with a functional requirement of the <b>Technical Manual</b> which is in force at the time the <b>Policy</b> is executed. It is important to note that failure to follow certain performance standards or guidance in the supporting requirements of the <b>Technical Manual</b> may not in itself amount to a <b>Defect</b>, as it may be possible to achieve the recommended performance in other ways.</p> <p>Where a <b>New Development</b> entailed the conversion, refurbishment or renovation of an existing building(s) failure to comply with the functional requirements of the <b>Technical Manual</b>, in relation to the retained elements of the <b>Home</b> only, will not constitute a <b>Defect</b>, unless <b>Major Damage</b> has occurred.</p>

## DEFECTS INSURANCE PERIOD

For **Common Parts**, the period commencing on the earliest date specified for the commencement of the **Defects Insurance Period** on a **Certificate of Insurance** issued for a **Home** that shares the **Common Parts** and ending either two years from such date, or 12 months from the latest date specified for the commencement of the **Defects Insurance Period** on a **Certificate of Insurance** for a **Home** sharing the **Common Parts**, whichever is the earlier.

For all other purposes, the period commencing on the date specified in the **Certificate of Insurance** and ending 12 or 24 months after such date. The **Defects Insurance Period** may differ to the period shown above and if this is the case it will be detailed in the **Certificate of Insurance**. It is important that the **Certificate of Insurance** is read in conjunction with the **Policy**.

## DEVELOPMENT INITIAL CERTIFICATE

The Certificate issued by the **Underwriter** signifying its agreement to the provision of the insurance cover for the **New Development** as set out in this **Policy**, subject to receipt of a **Certificate of Approval** and a **Final Certificate** (if required) for each **Home**, and satisfaction of all **Policy** conditions.

## DISPUTE RESOLUTION SERVICE

A consensual process whereby the **Scheme Administrator** (at its sole discretion) appoint a building surveyor to attempt to resolve a dispute between the **Builder** and **Policyholder**.

## EXCESS

The amount the **Policyholder** is required to pay in the event of a valid claim under each section of the **Policy**, as noted on the **Certificate of Insurance**. The **Excess** is index-linked in accordance with the condition of the **Policy** entitled 'Indexation'.

Note that 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.

## EXTERNAL ENVELOPE

The basement, ground floors, external walls, roofs, skylights, windows and doors of a **Home**.

## FINAL CERTIFICATE

The Certificate issued by the **Approved Inspector** following completion of the **Building Control** function for a **Home** at the **New Development**.

## FINANCIAL LIMIT

The maximum the **Underwriter** will pay for any claims under the terms of a particular section.

## FRAUD

Has the meaning set out in section 1 of the Fraud Act 2006  
a copy of which can be found at: [www.legislation.gov.uk/ukpga/2006/35/contents](http://www.legislation.gov.uk/ukpga/2006/35/contents)

## HOME

The property newly built or newly renovated by the **Builder** as part of the **Contract** and described in the **Certificate of Insurance** comprising:

- a) the **Structure**;
- b) all non-load bearing elements, any new electrical fixed wiring and lighting system, heating system, air conditioning, smoke alarms, newly installed at the date of issue of the **Certificate of Approval** and for which the **Policyholder** is responsible;
- c) any **Common Parts**, retaining or boundary walls forming part of or providing support to the **Structure**;
- d) any path or roadway within the perimeter of such property giving access to the principal entrance;
- e) the drainage system within the perimeter of such property for which the **Policyholder** is responsible; and
- f) any garage or other permanent outbuilding.

Note that **Home** does not include any swimming pool, lift, escalator, or associated plant and equipment and/or mechanical or electrical equipment, garage or permanent outbuilding not included within the scope of the works undertaken by the **Builder**, temporary structure, free-standing household appliance, fence, retaining or boundary wall not forming part of or providing support to the **Structure**. For the avoidance of doubt, personal chattels do not fall within the definition of **Home**.



## HOME INITIAL CERTIFICATE

The certificate issued by the **Underwriter** signifying its agreement to the provision of the insurance cover under the other sections (3.1, 3.2, 3.3 and/or 3.4, as applicable), subject to (and commencing upon) the issuance of the **Certificate of Insurance** for the **Home**.

## INDEXATION

Shall have the meaning ascribed to it by the condition entitled 'Indexation' in section 6.

## INSOLVENCY

The occurrence of any of the following events:

- a) an order is made, or a resolution is passed, for the winding-up, administration or bankruptcy of the **Builder** (except for the purposes of solvent amalgamation or reconstruction previously approved by the **Underwriter** in writing); or
- b) a liquidator, trustee, administrator, administrative receiver, receiver, manager, trustee in bankruptcy or similar official is appointed over the whole or any part of the assets of the **Builder**, or the **Builder**, or the directors of the **Builder**, request any person to appoint any of the same; or
- c) a notice of intention to appoint an administrator, or a notice of appointment under Schedule B1 to the Insolvency Act 1986 is issued by the **Builder** or its directors.

## LAND

The area that is covered by a single detailed planning consent, or a series of consents, relating to continuous development by the **Policyholder / Builder**, including the ground that surrounds and supports the **Home** and which was:

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

## LIMIT OF INDEMNITY

The maximum liability of the **Underwriter** during the **Defects Insurance Period** and/or the **Structural Insurance Period**, being the amount shown as the **Sum Insured** on the **Certificate of Insurance** or the **Financial Limit** in the relevant Section, whichever is the lesser. The **Limit of Indemnity** is index-linked in accordance with the condition of the **Policy** entitled '**Indexation**'.

## MAJOR DAMAGE

Either:

- a) Destruction of or physical damage to any portion of the **Home** for which a **Certificate of Insurance** has been issued, caused by a **Defect** in the design, workmanship, materials or components of:
    - i. the **Structure**; or
    - ii. the waterproofing elements of the **External Envelope**and which is first discovered during the **Structural Insurance Period**.
- Or:
- b) A condition requiring immediate remedial action to prevent actual destruction of, or major physical damage to, any portion of the **Home** for which a **Certificate of Insurance** has been issued, caused by a **Defect** in the design, workmanship, materials or components of:
    - i. the **Structure**; or
    - ii. the waterproofing elements of the **External Envelope**and which is first discovered during the **Structural Insurance Period**.

The term **Major Damage** shall include any physical loss, destruction or damage to the **Home** caused by contamination or pollution as a direct consequence of a **Defect** in the design, workmanship, materials or components of the **Structure** of the **Home**.

## MANAGEMENT COMPANY

The person(s) (in the context of a multi-occupancy building) having contractual responsibility for the repair and maintenance of the **Structure** and/or the **Common Parts** under any applicable agreement.

## NEW DEVELOPMENT

A **Home** or group of **Homes** located at the site noted on the **Development Initial Certificate/ Home Initial Certificate** for the **New Development** and for which an individual **Certificate of Insurance** is issued for each **Home**.

**New Development** shall be deemed not to include any building works other than the **Home(s)** detailed in the **Development Initial Certificate/Home Initial Certificate**.



<b>POLICY</b>	These Terms and Conditions of Insurance, the <b>Development Initial Certificate</b> , <b>Home Initial Certificate</b> , the <b>Certificate of Insurance</b> and the <b>Technical Manual</b> .
<b>POLICYHOLDER</b>	The owner retaining a freehold interest and/or part or future owners of the property which is the subject of this insurance acquiring a freehold or leasehold interest in each <b>Home</b> within the <b>New Development</b> or their successors in title, or any mortgagee or lessor (other than the <b>Builder</b> ) and for whom a <b>Certificate of Insurance</b> has been issued for the <b>Home</b> showing that the relevant cover under those Sections is applicable.
<b>PREMIER GUARANTEE FOR PRIVATE RENTAL</b>	The insurance cover provided by the <b>Underwriter</b> in accordance with, and subject to, the provisions of this <b>Policy</b> .
<b>REMEDATION EXPENSES</b>	Reasonable expenses incurred for the investigation, isolation, removal or treatment of contamination to the extent required by any <b>Statutory Notice</b> .
<b>RULES OF REGISTRATION</b>	The conditions which the <b>Builder</b> must comply with in order to be able to insure a <b>New Development</b> with us.
<b>SCHEME ADMINISTRATOR</b>	MD Insurance Services Limited, 2 Shore Lines Building, Shore Road, Birkenhead, Wirral, CH41 1AU (acting as agent on behalf of the <b>Underwriter</b> ). The terms 'we' or 'us' denote MD Insurance Services Limited.
<b>STRUCTURAL INSURANCE PERIOD</b>	<p>For <b>Common Parts</b>, the period commencing on the earliest date specified on a <b>Certificate of Insurance</b> issued for a <b>Home</b> that shares the <b>Common Parts</b> and ending either ten years from such date, or nine years from the latest date specified on a <b>Certificate of Insurance</b> for a <b>Home</b> sharing the <b>Common Parts</b>, whichever is the earlier.</p> <p>For all other purposes, the period commencing on the date specified in the <b>Certificate of Insurance</b> and ending nine years after such date.</p> <p>The <b>Structural Insurance Period</b> may differ to the period shown above; if this is the case it will be detailed in the <b>Certificate of Insurance</b>. It is important that the <b>Certificate of Insurance</b> is read in conjunction with the <b>Policy</b>.</p>
<b>STRUCTURE</b>	<p>Is comprised of the following elements of a <b>Home</b>:</p> <ul style="list-style-type: none"><li>a) foundations;</li><li>b) ceilings, load-bearing parts of floors, staircases and associated guard rails, walls and roofs, together with load-bearing retaining walls necessary for stability;</li><li>c) non-load bearing partition walls;</li><li>d) chimneys and flues;</li><li>e) roof covering;</li><li>f) any external finishing surface (including rendering) necessary for the water-tightness of the <b>External Envelope</b>;</li><li>g) internal floor decking and screeds, where these fail to support normal loads;</li><li>h) wet applied plaster;</li><li>i) double or triple glazed panes to external windows and doors; and</li><li>j) underground drainage that the <b>Policyholder</b> is responsible for maintaining, or contributing to the cost of maintaining.</li></ul>
<b>SUM INSURED</b>	The sum specified as such within the <b>Certificate of Insurance</b> .
<b>SURVEYOR</b>	The party appointed by the <b>Underwriter</b> who carries out checks and inspections solely on behalf of the <b>Underwriter</b> and who, prior to the issue of the <b>Certificate of Insurance</b> for the <b>Home</b> , issues a <b>Certificate of Approval</b> .

## TECHNICAL MANUAL

The Functional Requirements and performance standards issued to the **Builder** by the **Scheme Administrator** at the time that the **Policy** is executed (or, in the case of the Performance Standards contained therein, any amendments which have been notified to the **Builder** by the **Scheme Administrator**, as set out in the **Rules of Registration**). The latest version of the **Technical Manual** can be downloaded from the Premier Guarantee website – [www.premierguarantee.co.uk](http://www.premierguarantee.co.uk) – although this may not be the version applicable to your **Policy**. If you contact us on 08444 120 888 we will be able to confirm which version of the **Technical Manual** applies to you and provide you with a further copy if required.

## UNDERWRITER

AmTrust Europe Limited, whose principal place of business is at Market Square House, St James's Street, Nottingham NG1 6FG.

## 2.2 INTERPRETATION

1. References to this **Policy** or to any other document or contract referred to in this **Policy** means this **Policy** or such other document or contract as amended, varied, supplemented, modified or novated from time to time.
2. In this **Policy** (unless the context otherwise requires):
  - a) the words “including” and “include” and words of similar effect shall be deemed to have the words “without limitation” following them;
  - b) words importing persons shall include firms, companies, associations, bodies corporate and vice versa;
  - c) words importing the singular shall include the plural and vice versa;
  - d) references to a section are to a section of this **Policy**;
  - e) any reference to any legislative provision, shall be deemed to include any subsequent re-enactment or amending provision and any regulations made under it.
  - f) words importing the masculine shall include the feminine.
3. The headings in this **Policy** are for ease of reference only and shall not affect its construction or interpretation.

## 3. The types of Insurance Cover

### 3.1 DEFECTS INSURANCE

1. The **Underwriter** will indemnify the **Policyholder** during the **Defects Insurance Period** against the cost of repairing, replacing or rectifying any **Defect** and resultant damage to the **Home** for which the **Builder** is responsible and which:
  - a) is discovered and notified in writing to the **Builder** during the **Defects Insurance Period**; and
  - b) is notified in writing to the **Underwriter** no later than 6 months after the expiry of the **Defects Insurance Period**.
2. The **Underwriter** shall have no liability under this section unless:
  - a) the **Builder** has not responded to the claim within a reasonable time period (as determined by the **Underwriter**); and/or
  - b) the **Builder** has withheld consent to resolve the dispute by using the **Dispute Resolution Service**; and/or
  - c) the **Builder** has not responded within a reasonable time period (as determined by the **Underwriter**) to a request to resolve the dispute by using the **Dispute Resolution Service**; and/or
  - d) the **Builder** has accepted the decision of a building surveyor after using the **Dispute Resolution Service** but has failed to carry out the works or repairs recommended in the surveyor's report within the time stipulated; and/or
  - e) the **Builder** has not effected the relevant repairs or works determined by the **Dispute Resolution Service** or Arbitration; and/or
  - f) the **Builder** has failed to carry out such repair, replacement or rectification work due to its **Insolvency**.

In the event of a valid claim being made under this Section, the **Underwriter** will either (at its option) arrange to have such **Defect** and resultant damage to the **Home** corrected or pay the cost of repairing, replacing or rectifying any **Defect** and resultant damage to the **Home**.

#### FINANCIAL LIMITS FOR SECTION 3.1 (DEFECTS INSURANCE)

1. The maximum the **Underwriter** will pay for all claims relating to a **Home** under this section is in the case of each **Policy**:
  - a) £1,000,000 for any newly constructed **Home**; or
  - b) £500,000 for any converted or refurbished **Home**;
  - c) or (in either case) the **Sum Insured** for the **Home**, whichever is the lesser.
2. The cumulative maximum which the **Underwriter** will pay under this section for claims made by all **Policyholders** (of whatever type of policy issued by the **Underwriter**) relating to any property within the same **Continuous Structure** is:
  - a) £25,000,000 for all claims relating to all newly constructed **Continuous Structures**; or
  - b) £5,000,000 for all claims relating to all converted or refurbished **Continuous Structures**.
3. For the avoidance of doubt, the **Financial Limits** under this section shall be applicable notwithstanding the fact that property within the same **Continuous Structure** may be employed for different uses (commercial, domestic or social, for example) and have different owners. Once the cumulative maximum liability for the claims made in respect of any or all property located within the same **Continuous Structure** is reached, the **Underwriter** shall not be liable for any further claims in respect of any property located elsewhere within that same **Continuous Structure**, whomsoever made by.
4. The maximum the **Underwriter** will pay for any claim relating to **Common Parts** will be the proportion of the loss represented by the number of individual **Certificates of Insurance** issued to the **Policyholders** that share those **Common Parts**. The **Underwriter** is not responsible for the proportion of any loss where individual Homes have not received a **Certificate of Insurance**.
5. The **Financial Limits** above are index-linked in accordance with the condition of the **Policy** entitled '**Indexation**'.
6. Claims under this section are subject to the **Excess** as detailed in the **Certificate of Insurance**.

#### SPECIAL CONDITIONS APPLICABLE TO SECTION 3.1 (DEFECTS INSURANCE)

1. If the **Policyholder** receives back, either in part or whole, any payments in respect of a claim under this section which has already been paid by the **Underwriter**, then the **Policyholder** shall reimburse the **Underwriter** in full for the amount of such payment.

## EXCLUSIONS TO SECTION 3.1 (DEFECTS INSURANCE)

1. The **Underwriter** is only liable under this Section in respect of the **Contract** for the **Home** and not in respect of any extras agreed subsequently.
2. The **Underwriter** shall not be liable to the **Policyholder** for any:
  - a) external landscaping or garden features;
  - b) adjustment of doors following the fitting of carpets or flooring;
  - c) drawing of chimneys;
  - d) contractual disputes between the **Builder** and the **Policyholder** (including issues regarding specification of items);
  - e) dampness, condensation or shrinkage not caused by a **Defect**;
  - f) chips or scratches to fittings in any room not caused by a **Defect**;
  - g) minor blemishes that are subjective in degree (including brush marks, decoration and other cosmetic issues);
  - h) items that have been subsequently changed or altered on behalf of the **Policyholder** at their request (such as fitting of wardrobes and other fittings);
  - i) deterioration caused by neglect or failure to carry out normal maintenance;
  - j) **Defects** within existing; handrails or balustrades, paths, drives, garden areas or paved areas;
  - k) any **Defect** or other issue about which the **Policyholder** was aware (or could reasonably have been expected to be aware of) prior to the completion of the **Home**;
  - l) ceilings that are not in an enclosed part of the **Home** (such as balcony ceilings);
  - m) the effects of dampness, condensation or shrinkage not resulting from a **Defect**.
  - n) replacement of any solar roof tiles or panels solely due to failure to generate heat or electricity or any failure to generate anticipated amounts of heat or electricity; or
  - o) costs, losses, expenses or damage to any areas of decorative flooring (including laminates, carpets, tiles and parquet) installed after the issue of the **Certificate of Approval**.

## CLAIMS PROCEDURE FOR SECTION 3.1 (DEFECTS INSURANCE)

1. The **Builder** is responsible for rectifying any **Defect** and resultant damage which occurs within the **Defects Insurance Period**.
2. If you consider that there is a **Defect** which requires the attention of the **Builder**, you should notify the **Builder** in writing as soon as possible to allow them to arrange for any **Defect** and resultant damage to be corrected. Correspondence with the **Builder** should be recorded as evidence and made available, if required, to the **Scheme Administrator**.
3. If the **Builder** is unable or unwilling to rectify the **Defect** and resultant damage, you should contact the **Scheme Administrator** on 08444 120 888 and:
  - a) notify them of a potential claim and request a claim form;
  - b) complete the claim form and send evidence to the **Scheme Administrator** to show that the **Builder** has been approached to rectify the **Defect** and resultant damage;
  - c) if there is any **Insolvency** affecting the **Builder**, provide evidence to demonstrate this;
  - d) allow the **Scheme Administrator** and its agents to gain access to the **Home**; and
  - e) provide the **Scheme Administrator** with all information and documentation it may request in relation to investigating the claim.
4. At this point, the **Scheme Administrator** may offer the **Dispute Resolution Service** if at its sole discretion it considers this appropriate. Details of the **Dispute Resolution Service** and other options available to settle a dispute are available in section 7.

## 3.2 STRUCTURAL INSURANCE

1. The **Underwriter** will indemnify the **Policyholder** against all claims discovered and notified to the **Underwriter** during the **Structural Insurance Period** in respect of:
  - a) the cost of complete or partial rebuilding or rectifying work to the **Home** which has been affected by **Major Damage**, provided always that the liability of the **Underwriter** does not exceed the reasonable cost of rebuilding the **Home** to its original specification;
  - b) the cost of repairing or making good any **Defects** in the chimneys and flues of the **Home** which was newly constructed by the **Builder** and which causes an imminent danger to the health and safety of occupants.
2. In the event of a valid claim being made under this section, the **Underwriter** will either (at its sole discretion) arrange to have such damage corrected or pay the cost of repairing, replacing or rectifying any damage resulting from items (a) and (b) above.

### FINANCIAL LIMITS FOR SECTION 3.2 (STRUCTURAL INSURANCE)

1. The maximum the **Underwriter** will pay for all claims relating to a **Home** under this section is in the case of each **Policy**:
  - a) £1,000,000 for any newly constructed **Home**; or
  - b) £500,000 for any converted or refurbished **Home**;
  - c) or (in either case) the **Sum Insured** for the **Home**, whichever is the lesser.
2. The cumulative maximum which the **Underwriter** will pay under this section for claims made by all **Policyholders** (of whatever type of policy issued by the **Underwriter**) relating to any property within the same **Continuous Structure** is:
  - a) £25,000,000 for all claims relating to all newly constructed **Continuous Structures**; or
  - b) £5,000,000 for all claims relating to all converted or refurbished **Continuous Structures**.
3. For the avoidance of doubt, the **Financial Limits** under this section shall be applicable notwithstanding the fact that property within the same **Continuous Structure** may be employed for different uses (commercial, domestic or social, for example) and have different owners. Once the cumulative maximum liability for the claims made in respect of any or all property located within the same **Continuous Structure** is reached, the **Underwriter** shall not be liable for any further claims in respect of any property located elsewhere within that same **Continuous Structure**, whomsoever made by.
4. The maximum the **Underwriter** will pay for any claim relating to **Common Parts** will be the proportion of the loss represented by the number of individual **Certificates of Insurance** issued to the **Policyholders** which share those **Common Parts**. The **Underwriter** is not responsible for the proportion of any loss where individual Homes have not received a **Certificate of Insurance**.
5. The **Financial Limits** above are index-linked in accordance with the condition of the **Policy** entitled '**Indexation**'.
6. Claims under this section are subject to the **Excess** as detailed in the **Certificate of Insurance**.

### EXCLUSIONS TO SECTION 3.2 (STRUCTURAL INSURANCE)

1. The **Underwriter** is only liable under this section in respect of the **Contract** for the **Home** and not in respect of any extras agreed subsequently.
2. The **Underwriter** shall not be liable to the **Policyholder** for any:
  - a) ceilings that are not in an enclosed part of the **Home** (such as balcony ceilings);
  - b) The effects of dampness, condensation or shrinkage not resulting from a **Defect**.
  - c) replacement of any solar roof tiles or panels solely due to failure to generate heat or electricity or any failure to generate anticipated amounts of heat or electricity.

## CLAIMS PROCEDURE FOR SECTION 3.2 (STRUCTURAL INSURANCE)

1. On discovery of any occurrence or circumstance that is likely to give rise to a claim under this section, the **Policyholder** should immediately notify the **Scheme Administrator** on 08444 120 888, and request a claim form.
2. When notifying the **Scheme Administrator** of a claim, the **Policyholder** must also;
  - a) complete the claim form and obtain a report from a specialist confirming that there has been **Major Damage**;
  - b) take all responsible steps to prevent further loss or damage;
  - c) allow the **Scheme Administrator** and its agents to gain access to the **Home**; and
  - d) provide the **Scheme Administrator** with all information and documentation it may request in relation to investigating the claim.

## 3.3 CONTAMINATED LAND

1. 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 **Land** in a controlled manner in accordance with the requirements of any **Statutory Notice**.
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 valid claim being made under this section, the **Underwriter** will either (at its sole option) pay the **Remediation Expenses**, or itself have any work necessary for remediation of contamination of **Land** carried out at its own expense.

## FINANCIAL LIMITS FOR SECTION 3.3 (CONTAMINATED LAND)

1. The maximum the **Underwriter** will pay for all claims relating to a **Home** under this section is in the case of each **Policy**:
  - a) £1,000,000 for any newly constructed **Home**; or
  - b) £500,000 for any converted or refurbished **Home**;
  - c) or (in either case) the **Sum Insured** for the **Home**, whichever is the lesser.
2. The cumulative maximum the **Underwriter** will pay for all claims made under all policies applying to **New Developments** on a single piece of **Land** under this Section is:
  - a) £25,000,000 for all claims relating to all newly constructed **Continuous Structures**; or
  - b) £5,000,000 for all claims relating to all converted or refurbished **Continuous Structures**.
3. Once the cumulative maximum liability for the claims made under this Section in respect of any or all property located on a single piece of **Land** is reached, the **Underwriter** shall not be liable for any further claims in respect of any property located elsewhere on that single piece of **Land**, whomsoever made by.
4. For the avoidance of doubt, the **Financial Limits** under this section shall be applicable notwithstanding the fact that property within the same **Continuous Structure** may be employed for different uses (commercial, domestic or social, for example) and have different owners. Once the cumulative maximum liability for the claims made in respect of any or all property located within the same **Continuous Structure** is reached, the **Underwriter** shall not be liable for any further claims in respect of any property located elsewhere within that same **Continuous Structure**, whomsoever made by.
5. The maximum the **Underwriter** will pay for any claim relating to **Common Parts** will be the proportion of the loss represented by the number of individual **Certificates of Insurance** issued to the **Policyholders** which share those **Common Parts**. The **Underwriter** is not responsible for the proportion of any loss where individual Homes have not received a **Certificate of Insurance**.
6. The **Financial Limits** above are index-linked in accordance with the condition of the **Policy** entitled 'Indexation'.
7. Claims under this section are subject to the **Excess** as detailed in the **Certificate of Insurance**.

## EXCLUSIONS TO SECTION 3.3 (CONTAMINATED LAND)

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

- a) damage and or expenses to any property and/or any costs associated with the remediation of land which is not owned by the **Policyholder**; or
- b) contamination which first occurs after the date of the **Certificate of Approval**; or
- c) any damages payable to third parties, compensation or criminal expenses arising out of or in connection with contamination in, or under the **Land**
- d) contamination that migrates onto the **Land** after commencement of the **Building Period**; or
- e) contamination caused by the presence of naturally occurring radons.

## CLAIMS PROCEDURE FOR SECTION 3.3 (CONTAMINATED LAND)

1. Before making a claim under the **Policy**, please check your **Certificate of Insurance** to ensure that cover under this section is included.
2. On discovery of any occurrence or circumstance that is likely to give rise to a claim under this section, the **Policyholder** should immediately notify the **Scheme Administrator** on 08444 120 888, which can provide a claim form.
3. When notifying the **Scheme Administrator** of a claim, the **Policyholder** must also:
  - a) take all reasonable and responsible steps to prevent further loss or damage; and
  - b) allow the **Scheme Administrator** and its agents to gain access to the **Home** and/or **Land**; and
  - c) provide the **Scheme Administrator** with all information and documentation it may request in relation to investigating the claim.

## 3.4 ADDITIONAL COVER FOR APPROVED INSPECTOR BUILDING CONTROL FUNCTION

1. The **Underwriter** will indemnify the **Policyholder** during the **Structural Insurance Period** against the cost of repairing, replacing or rectifying the **Home** 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 **Home** because the **Home** does not comply with **Building Regulations** which were applied to the construction, conversion or refurbishment in relation to the following:
  - a) Part A - Structure;
  - b) Part B - Fire Safety;
  - c) Part C - Site preparation and resistance to contaminants and moisture;
  - d) Part G - Sanitation, hot water safety and water efficiency;
  - e) Part H - Drainage and waste disposal;
  - f) Part J - Heat-producing appliances;
  - g) Part K - Protection from falling, collision and impact; and/or
  - h) Part N - Glazing – safety in relation to impact, opening and cleaning.
2. Cover under this section only applies if an **Approved Inspector** has carried out the **Building Control** function. The **Certificate of Insurance** will show if cover is applicable.
3. For claims that were referred to the **Builder** in the **Defects Insurance Period** as specified in the **Certificate of Insurance**, please see section 3.1.



## FINANCIAL LIMITS FOR SECTION 3.4 (ADDITIONAL COVER FOR APPROVED INSPECTOR BUILDING CONTROL FUNCTION)

1. The maximum the **Underwriter** will pay for all claims relating to a **Home** under this section is in the case of each **Policy**:
  - a) £1,000,000 for any newly constructed **Home**; or
  - b) £500,000 for any converted or refurbished **Home**; or
  - c) (in either case) the **Sum Insured** for the **Home**, whichever is the lesser
2. The cumulative maximum which the **Underwriter** will pay under all sections (3.2 - 3.5 inclusive) for claims made by all **Policyholders** (of whatever type of policy issued by the **Underwriter**) relating to any property within the same **Continuous Structure** is:
  - a) £25,000,000 for all claims relating to all newly constructed **Continuous Structures**; or
  - b) £5,000,000 for all claims relating to all converted or refurbished **Continuous Structures**.
3. For the avoidance of doubt, the **Financial Limits** under section 3.5 shall be applicable notwithstanding the fact that any or all property within the same **Continuous Structure** may be employed for different uses (commercial, domestic or social for example) and have different owners. Once the cumulative maximum liability for the claims made in respect of any or all property located within the same **Continuous Structure** is reached, the **Underwriter** shall not be liable for any further claims in respect of any property located elsewhere within that same **Continuous Structure**, whomsoever made by.
4. The maximum the **Underwriter** will pay for any claim relating to **Common Parts** will be the proportion of the loss represented by the number of individual **Certificates of Insurance** issued to the **Policyholders** which share those **Common Parts**. The **Underwriter** is not responsible for the proportion of any loss were individual Homes have not received a **Certificate of Insurance**.
5. The **Financial Limits** above are index-linked in accordance with the condition of the **Policy** entitled 'Indexation'.
6. Claims under this section are subject to the **Excess** as detailed in the **Certificate of Insurance**.
7. Please note in the event that you are not the first owner of the **Home**, the **Financial Limits** may have already be utilised by a previous owner and you will only be entitled to the remainder.

## EXCLUSIONS TO SECTION 3.4 (ADDITIONAL COVER FOR APPROVED INSPECTOR BUILDING CONTROL FUNCTION)

1. Anything which you properly notified to the **Builder** under the **Defects Insurance Period** or for which you made a valid claim for under another Section of the **Policy**.
2. Any claim in respect of site preparation and resistance to moisture relating to ground that is outside the foundations of the **Home**.

## CLAIMS PROCEDURE FOR SECTION 3.4 (ADDITIONAL COVER FOR APPROVED INSPECTOR BUILDING CONTROL FUNCTION)

1. Before making a claim under the **Policy**, please check your **Certificate of Insurance** to ensure that cover under this section is included.
2. On discovery of any occurrence or circumstance that is likely to give rise to a claim under this Section, the **Policyholder** should immediately notify the **Scheme Administrator** on 08444 120 888, which can provide a claim form.
3. When notifying the **Scheme Administrator** of a claim, the **Policyholder** must also:
  - a) take all responsible steps to prevent further loss or damage; and
  - b) allow the **Scheme Administrator** and its agents to gain access to the **Home**; and
  - c) provide the **Scheme Administrator** with all information and documentation it may request in relation to investigating the claim.

## 4. Additional Cover

In addition to any applicable cover under section 3, in the event of a valid claim under sections 3.1, 3.2, 3.3 or 3.4, the **Underwriter** will pay within the **Limit of Indemnity**:

### 1. 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 requirements or other legal requirements, 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**.

### 2. ALTERNATIVE ACCOMMODATION COSTS

- a) If, due to an event insured under this **Policy**, the **Home** is uninhabitable then the **Underwriter** will pay the reasonable additional costs and expenses that are necessarily incurred by the **Policyholder** in respect of removal, storage and alternative accommodation (for a period not exceeding 26 weeks) for persons permanently residing in the Home, provided the **Policyholder** has first obtained the **Scheme Administrator's** written consent to such costs.
- b) The cover under this section 4.2 is subject to a maximum liability of 10% of the unused **Limit of Indemnity** for the **Home** at the time of the claim.

### 3. 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 **Home** (excluding any costs or fees incurred by the **Policyholder** in investigating and/or preparing a claim).

### 4. REMOVAL OF DEBRIS

The costs and expenses incurred by the **Policyholder** in respect of:

- a) removal of debris at; and/or
- b) dismantling or demolishing; and/or
- c) shoring up the **Home**.

## 5. Exclusions (applicable to all sections)

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

### 1. ALTERATIONS

Loss or damage due to or arising from any alteration, modification or addition to a **Home** after the issue of the **Certificate of Approval** unless (in each case) the **Underwriter** has been informed, the **Policy** 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 **Home**.

### 3. FLOODING AND WATER TABLE

Loss or damage resulting from flooding or failure of flood prevention/defence measures, however caused, or from a change in the water table level.

### 4. GLAZED PANES

Loss or damage to any existing double or triple glazing panes in any **Home** that has been converted, refurbished or renovated, unless such double or triple glazing panes were newly installed by the **Builder** at the time of such conversion, refurbishment or renovation.

### 5. HUMIDITY

Loss or damage caused by, or consequent upon humidity in a **Home** that is not the direct result of a **Defect**.

### 6. INDIRECT LOSS

Unless expressly provided for in this **Policy**, consequential loss of any description (including, but not exclusively limited to costs arising from inconvenience or distress, loss of enjoyment, loss of use, reduction in value of the **Home**, loss of income or business opportunity) arising either directly or indirectly as a result of the events or circumstances that led to your claim or complaint.

### 7. MAINTENANCE AND USE

Inadequate maintenance of a **Home** or the imposition of any load greater than that for which the **Home** was designed or the use of a **Home** for any purpose other than that for which it was designed, unless (in each case) the **Underwriter** has been informed in writing, the **Policy** 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, however caused.

### 9. PRIOR KNOWLEDGE

Anything which would constitute a valid claim under the **Policy** and about which the **Policyholder** was aware prior to handover of, or purchasing the **Home** and as a consequence agreed a reduction in the purchase price for the **Home** or obtained any other remedy, benefit or compensation of any kind.

### 10. REASONABLENESS

In the event of a valid claim being made 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 then 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. 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; and/or
- b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof; and/or
- c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; and/or
- 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; and/or
- e) any chemical, biological, bio-chemical, or electromagnetic weapon.

### 12. SETTLEMENT

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

**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, save if and to the extent that such loss or damage is as a result of a **Defect** in the design, workmanship, materials or components of the **Structure of a Home**.

**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. For these purposes, '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**

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. WEAR AND TEAR**

Wear and tear, normal dampness, condensation or shrinkage; or normal deterioration (whether caused by neglect or otherwise).

**20. WILFUL ACTS**

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

## 6. Conditions

<b>1. APPLICABLE LAW</b>	<p>In the absence of any written agreement to the contrary, the law applicable to this <b>Policy</b> shall be the law of England and Wales.</p>
<b>2. ARBITRATION</b>	<p>If any difference shall arise as to the amount to be paid under Sections 3.1, 3.2, 3.3, or 3.4 (liability being otherwise admitted) then such difference shall be referred to an arbitrator to be appointed by the parties in accordance with the Arbitration Act 1996.</p>
<b>3. CANCELLATION</b>	<p>Unless otherwise agreed in writing by the <b>Scheme Administrator</b> the <b>Underwriter</b> reserves the right to cancel the <b>Policy</b> and return any premium, less any retentions in line with our cancellation procedures in the event of:</p> <ul style="list-style-type: none"> <li>i) The building works period exceeding three years from the start date notified to the <b>Scheme Administrator</b> when the original application was made;</li> </ul> <p style="text-align: center;">or</p> <ul style="list-style-type: none"> <li>ii) If building work ceases for 180 days or more before the <b>Home</b> is complete.</li> </ul>
<b>4. CONTRIBUTION</b>	<p>If at any time of any occurrence giving rise to a claim under this <b>Policy</b>:</p> <ul style="list-style-type: none"> <li>a) there is (or would be, but for the existence of this insurance) any other insurance applicable;</li> <li>or</li> <li>b) the <b>Policyholder</b> has entitlement to any statutory damages, damage or compensation; or</li> <li>c) the <b>Policyholder</b> has initiated legal proceedings from which compensation may be received,</li> </ul> <p>then any applicable cover under this <b>Policy</b> shall be limited to such amount in excess of such insurance, damages or compensation (without prejudice to any <b>Financial Limits</b> specified in the <b>Policy</b>) and shall not be called into contribution.</p>
<b>5. FRAUD</b>	<p>If any claim under this <b>Policy</b> shall be in any respect fraudulent, or if any fraudulent means or devices are used by the <b>Policyholder</b>, or anyone acting on its behalf, to obtain benefit under this insurance, all benefit hereunder shall be forfeited and the <b>Underwriter</b> shall have the right to recover without limit any monies paid to third parties and any costs incurred.</p>
<b>6. INDEXATION</b>	<p>The <b>Limit of Indemnity</b> and <b>Excess</b> referred to within the <b>Certificate of Insurance</b> will be increased in line with the RICS House Re-Building Index or 10% per annum compound (whichever is the lesser) on each anniversary of the commencement of the period of insurance for Sections 3.1, 3.2, 3.3 and 3.4. For the purpose of settlement of any claim hereunder, the <b>Limit of Indemnity</b> and <b>Excess</b>, as adjusted in accordance with the foregoing provisions, shall be regarded as the <b>Limit of Indemnity</b> and <b>Excess</b> at the time of discovery by the <b>Policyholder</b> of such claim.</p>
<b>7. MISREPRESENTATION</b>	<p>This <b>Policy</b> will be voidable from inception in the event of deliberate misrepresentation, misdescription, error, omission or non-disclosure by the <b>Policyholder</b>.</p>
<b>8. MULTI-OCCUPANCY BUILDINGS</b>	<p>Where the <b>Home</b> is part of a multi-ownership building, the <b>Management Company</b> shall normally co-ordinate the claim in respect of all <b>Policyholders</b> of the multi-ownership building and where that is the case the <b>Scheme Administrator</b> shall not be obliged to correspond with the individual <b>Policyholder</b> regarding such claims.</p>
<b>9. NOTIFICATION OF CLAIMS</b>	<p>It is important to note that it is a condition to the payment of any claim(s) under Section 3.1 that concerns have been notified to the <b>Developer</b> in writing before the expiry of the <b>Defects Insurance Period</b> and if the <b>Developer</b> does not respond then the <b>Defects</b> and resultant damage must be notified to the <b>Scheme Administrator</b> in writing within 6 months of the expiry of the <b>Defects Insurance Period</b>. The <b>Underwriter</b> will have no liability for any matter which is not notified within these time frames.</p>
<b>10. RECOVERIES FROM THIRD PARTIES</b>	<p>The <b>Underwriter</b> is entitled (and the <b>Policyholder</b> hereby gives consent to the <b>Underwriter</b>) to take proceedings, at its own expense, to secure compensation from any third party before or after any admission of or payment of a claim under this <b>Policy</b>.</p> <p>The <b>Underwriter</b> will not take proceedings against the <b>Developer</b> for claims which occur following the expiry of the notification period of the <b>Defects Insurance Period</b>.</p>

<p><b>11. REINSTATEMENT OF THE LIMIT OF INDEMNITY</b></p>	<p>Where any successful claim has been made under any of sections 3.1, 3.2, 3.3 and 3.4 and which is settled by the <b>Underwriter</b> for less than the <b>Limit of Indemnity</b> for the relevant Section, such <b>Limit of Indemnity</b> shall (in accordance with the provisions of this <b>Policy</b>) be reduced to the extent such claim has been settled by the <b>Underwriter</b>. In such circumstances, the <b>Policyholder</b> may request that the <b>Limit of Indemnity</b> be reinstated. The decision to reinstate any <b>Limit of Indemnity</b> shall be at the sole discretion of the <b>Scheme Administrator</b> and shall in any event be subject to:</p> <ul style="list-style-type: none"> <li>a) payment by the <b>Policyholder</b> of any fee charged by the <b>Surveyor</b> for checking the design of the <b>Home</b> and inspecting any work for the repair or rebuilding of any <b>Home</b> which has been the subject of a claim under this <b>Policy</b>; and</li> <li>b) the <b>Surveyor</b> certifying that such repair or rebuilding work meets the <b>Underwriter's</b> required standards; and</li> <li>c) payment by the <b>Policyholder</b> of any additional premium required to be paid in respect of any such reinstatement, as notified by the <b>Underwriter</b>.</li> </ul> <p>For the avoidance of doubt, the <b>Policyholder</b> shall be required to pay the <b>Surveyor's</b> fee referred to above regardless of whether or not the <b>Limit of Indemnity</b> is reinstated.</p>
<p><b>12. TERMINATION</b></p>	<p>This <b>Policy</b> will terminate automatically without refund of premium in the event that:</p> <ul style="list-style-type: none"> <li>a) the <b>Home</b> is destroyed by a cause other than that insured against in this <b>Policy</b>; or</li> <li>b) the <b>Underwriter</b> has paid the maximum amount for which it will be liable under the <b>Policy</b> in accordance with the <b>Limit of Indemnity</b> unless the <b>Limit of Indemnity</b> has been reinstated in line with the Reinstatement of <b>Limit of Indemnity</b> Condition.</li> </ul> <p>The cover under this <b>Policy</b> in respect of any of sections 3.1, 3.2, 3.3 and 3.4 will terminate automatically without refund of premium in the event that the <b>Underwriter</b> has paid the maximum amount for which it will be liable under the relevant section in accordance with the relevant <b>Limit of Indemnity</b>.</p>
<p><b>13. THIRD PARTY RIGHTS</b></p>	<p>A person who is not a party to this <b>Policy</b> has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this <b>Policy</b>, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.</p>
<p><b>14. UNDERWRITER'S RIGHTS</b></p>	<p>In the event of any occurrence which may give rise to a claim under this <b>Policy</b>, the <b>Underwriter</b> and its agents (including the <b>Builder</b> and / or their subcontractors) shall, with the permission of the <b>Policyholder</b>, be entitled to enter the <b>Home</b> in order to carry out rectification works or the complete or partial rebuilding of the <b>Home</b>. If such permission is unreasonably withheld by the <b>Policyholder</b> then the <b>Policyholder</b> shall be responsible for any additional costs caused by the delay in carrying out such works and the <b>Underwriter</b> has the sole option to void the <b>Policy</b> from inception.</p>

## 7. Dispute Resolution Service and alternative options

### A The Dispute Resolution Service

1. If the **Builder** fails to remedy any **Defect** and resultant damage notified to him or the **Policyholder** is not satisfied with his response then the **Scheme Administrator** may, at its sole discretion, offer the **Dispute Resolution Service** as detailed below.
2. Following notification in writing by the **Policyholder** to the **Scheme Administrator**, the **Scheme Administrator** will investigate each dispute referred to the **Dispute Resolution Service**. Using the **Dispute Resolution Service** does not affect a **Policyholder's** legal rights or remedies against the **Builder** in any way. The **Policyholder** should, however, seek independent legal advice before using the **Dispute Resolution Service**.
3. The **Dispute Resolution Service** will attempt to bring the two parties together, investigate the dispute and make recommendations.
4. The possible outcomes of the investigation are that:
  - a) both the **Policyholder** and the **Builder** accept the report's findings and if any works are necessary the **Builder** carries them out within an agreed period of time; or
  - b) both the **Policyholder** and the **Builder** accept the report's findings but the **Builder** fails to carry out any necessary works within an agreed period of time. In such circumstances, the **Policyholder** should advise the **Scheme Administrator** which will attempt to ensure that the works are carried out accordingly; or
  - c) both the **Policyholder** and the **Builder** accept the report's findings however the **Policyholder** refuses access to the **Home** for whatever reason. If this is the case, the **Dispute Resolution Service** has failed. Please refer to Condition 14, Underwriters Rights, for further details.
  - d) one or both parties do not accept the report's findings. If this is the case, the **Policyholder** shall be entitled to refer the matter to an alternative dispute resolution forum.
5. The **Dispute Resolution Service** will not be suitable for all disputes. The **Scheme Administrator** will advise upon technical issues and in particular whether the **Builder** has complied with the Functional Requirements of the **Technical Manual**. The **Scheme Administrator** will not advise on financial disputes, contractual issues or items that do not involve a breach of the Functional Requirements of the **Technical Manual**.
6. The **Excess** for the **Defects Insurance Period** shall be as specified in the **Certificate of Insurance**. If the value of the dispute is for an amount less than the **Excess** then the **Dispute Resolution Service** is not appropriate.
7. Neither the **Scheme Administrator** nor the **Underwriter** shall have any liability to the **Policyholder** for any damages, loss, costs or expenses arising out of any negligent act, omission or default of the building surveyor in performing his duties under the **Dispute Resolution Service**.

## B Options to resolve a dispute other than by using the Dispute Resolution Service

8. Should the parties refer a dispute relating to a **Defect** and resultant damage to conciliation but the **Dispute Resolution Service** does not resolve the dispute, then either party can nevertheless opt for other forms of dispute resolution, including any of those set out below.

### Independent Expert or Arbitration

9. In the event of a dispute you may apply to the Chartered Institute of Arbitrators for the appointment of an Arbitrator.
10. If you wish to apply for an Arbitrator to be appointed, you must first notify the **Scheme Administrator** and we will supply you with a form to complete which should be sent to the Chartered Institute of Arbitrators by you with a copy sent to the **Scheme Administrator**.
11. **The Scheme Administrator** will then be entitled to proceed on the basis that no dispute has arisen.
12. The costs of using an Arbitrator will be borne by the parties to the dispute and not the **Underwriter**.
13. **Additional Forms of Alternative Dispute Resolution**  
As well as referring a dispute to an Arbitrator, there are now several additional forms of Alternative Dispute Resolution. Information can be obtained from the Citizens Advice Bureau, County Court, Sheriffs Clerks Office or a solicitor.
14. **Litigation**  
The Small Claims Court may be suitable for resolving contractual or financial disputes, as well as small disputes regarding standards of workmanship. Depending on the size of the dispute, other courts may be suitable for resolving claims involving financial and contractual disputes and larger claims regarding standards of workmanship.
15. **Disclaimer**  
For the avoidance of doubt, the **Underwriter** does not recommend any form of dispute resolution process and the **Policyholder** should take legal advice as to the most appropriate forum for each particular dispute and the manner in which that dispute should be progressed.



## 8. How to make a complaint

1. We have the authority to administer complaints on behalf of the **Underwriter**. MD Insurance Services Limited aims to provide a first class service to every **Policyholder**. However, occasionally an enquiry or a complaint may arise, often as a result of a misunderstanding, which will usually be resolved quickly and to the satisfaction of the **Policyholder**.
2. If you have an enquiry or cause to make a complaint regarding your **Policy** then you should, in the first instance, contact the insurance agent who arranged the insurance for you. If they are unable to resolve the problem, please contact:

The Complaints Officer  
MD Insurance Services Limited,  
2 Shore Lines Building,  
Shore Road,  
Birkenhead,  
Wirral, CH41 1AU

Email: [complaints@mdinsurance.co.uk](mailto:complaints@mdinsurance.co.uk)  
Tel: 08444 120 888.

3. A copy of the Complaints Procedure for MD Insurance Services Limited will be provided with an acknowledgement of your complaint.
4. Any complaint that cannot be resolved by the MD Insurance Services Limited may be referred to the Financial Ombudsman Service. Further details will be provided at the appropriate stage of the complaint process or are available on request. This complaint procedure is without prejudice to the **Policyholder's** right to take legal action.
5. In all cases, the Reference Number appearing in the **Development Initial Certificate/Home Initial Certificate** and **Certificate of Insurance** should be quoted.
6. Financial Services Compensation Scheme

Policies issued by MD Insurance Services Limited on behalf of the **Underwriter** are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if the **Underwriter** is unable to meet it's obligations under the terms of the **Policy**. If you are entitled to compensation under the Scheme, the level and extent of the compensation would depend on the nature of the **Policy** contract. Further information about compensation scheme arrangements are available from the Financial Services Compensation Scheme. Their address is:

Financial Services Compensation Scheme,  
10th Floor, Beaufort House  
15 St Botolph Street  
London, EC3A 7QU

Or via the Scheme website: [www.fscs.org.uk](http://www.fscs.org.uk)







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MD Insurance Services Ltd is the Scheme Administrator for the Premier Guarantee range of structural warranties. MD Insurance Services Ltd is authorised and regulated by the Financial Conduct Authority.