



# POLICY DOCUMENT

SELF BUILD

VERSION 13

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Welcome to **Your LABC Self Build Warranty** insurance **Policy**. Although problems with **Your Home** are unlikely, the **LABC Self Build Warranty Policy** provides **You** with the comfort that particular types of problems which may occur in the first ten years after **Your Home** is built will be corrected.

**You** should ensure that **You** are aware of what is covered by **Your LABC Self Build Warranty Policy**, by reading these Terms and Conditions in conjunction with **Your Development 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 **0800 183 1755**.

### **HOW TO MAKE A CLAIM**

We know how difficult and stressful it can be if things go wrong with **Your Home** and we aim to work with **You** to ensure that we can get **You** back to normality as quickly as possible.

If **You** feel **You** have a valid claim, please check **Your Development 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 **0151 650 4318**, email **claims@labcwarranty.co.uk** or **You** can write to us.



**Gary Devaney**  
**Chairman and CEO**

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LABC (Local Authority Building Control) is an independent building control provider. LABC represent local authorities in England, Northern Ireland and Wales which have responsibility for building control.

MD Insurance Services Ltd has developed this scheme, 'LABC Self Build Warranty', in conjunction with LABC.

LABC Warranty is a brand name for a range of structural warranties arranged by MD Insurance Services Limited whose registered office is 2 Shore Lines Building, Shore Road, Birkenhead, Wirral CH41 1AU. MD Insurance Services Limited is authorised and regulated by the Financial Conduct Authority (FCA). **Your Policy** is insured with MD Insurance Services Limited acting in its capacity as managing general agent for and on behalf of HSB Engineering Insurance Limited (HSBEIL).

HSBEIL is registered in England and Wales under company number 02396114. Registered Office: New London House, 6 London Street, London, EC3R 7LP, Tel +44 (0)20 7264 7000.

HSBEIL is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the UK (FCA registration number 202738).

The Financial Conduct Authority's website includes a register of all regulated firms.

**You** can contact the Prudential Regulation Authority at:

The Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
Tel: +44 207 601 4444  
Website: [www.bankofengland.co.uk](http://www.bankofengland.co.uk)

**You** can contact the Financial Conduct Authority at:

Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London  
E14 5HS  
Tel: 0800 111 6768 or +44 (0)20 7066 1000  
Website: [www.fca.org.uk](http://www.fca.org.uk)

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## TERMS AND CONDITIONS OF INSURANCE

These Terms and Conditions of Insurance consist of:

1. **INFORMATION** on LABC Self Build Warranty.
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:
  - **The Insuring Agreement**
4. **ADDITIONAL COVER** detailing automatic extensions in cover to the **Policy**.
5. **EXCLUSIONS** detailing exclusions applicable to the whole **Policy**.
6. **CONDITIONS** applicable to the whole **Policy**.
7. **HOW TO MAKE A COMPLAINT** detailing the options **You** have for making a complaint about the **Policy**.

# 1. INFORMATION

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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** 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.

- Insuring the **Home** for a period of 10 years against:
  - the risk of **Major Damage** to the **Structure** of the **Home**. See section 3 for details.
  - making good any defect in the design, workmanship, materials or components in the newly installed drainage system in connection with the **Home**. See section 3 for details.
  - a danger to health and safety caused by a defect in chimneys or flues. See section 3 for details.

Where a **Builder** is appointed to construct the **Home** on behalf of the **Policyholder** the **Builder** will be responsible for rectifying any defects that would lead to a claim under section 3 of the Policy that occur in the first 12 months of the **Period of Insurance**.

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 **Certificate of Insurance** and the **Policy** to ascertain the precise cover in force at any time.

## THE QUALITY OF YOUR HOME

The **Home** insured under the **Policy** is subject to a system of checks and inspections:

- The **Home** has to comply with **Building Regulations** and the authorised Local Authority **Building Control** Body involved inspects the 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.
- **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 **LABC Self Build Warranty**. 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 the inception of this **Policy**.
- A **Certificate of Insurance** will be issued to the **Policyholder** by the **Scheme Administrator** on behalf of the **Underwriter** provided that a **Certificate of Approval** has been issued by the **Surveyor** 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.

## YOUR PRIVACY

We will store personal information about **You** safely and keep confidential. We may need to pass on personal information such as **Your** name and address to the **Builder** to assist in the resolution of a claim. If required by a court or government body, we may be required to pass on personal information. We may need to tell a subsequent owner(s) about claims an earlier owner has made, if it affects what a subsequent owner of the **Home** can claim under the **Policy**. For further details please refer to [www.labcwarranty.co.uk/privacy-policy](http://www.labcwarranty.co.uk/privacy-policy).

We will also pass on **Your** personal information to the **Underwriter** who may use **Your** personal information to make decisions about the cover we provide to **You**, any claims **You** make, or to detect and prevent fraud. The **Underwriter** also may record incoming and outgoing telephone calls with **You** for training, monitoring and quality control purposes.

For further details on how the **Underwriter** uses **Your** information and **Your** rights in relation to your information, please see the **Underwriter's** Privacy Statement at <https://www.munichre.com/HSBEIL>

## YOUR RESPONSIBILITIES

If **You** are a consumer, **You** are responsible for answering any questions in relation to any proposal for insurance cover honestly and to the best of **Your** knowledge, providing complete and accurate information which the **Underwriter** will require. This also applies to **Your** responses in relation to any assumptions **You** may agree to in the process of applying for insurance cover. This is particularly important before taking out a policy but also at renewal or if you make a mid-term amendment to **Your Policy**.

If **You** fail to disclose information, or misrepresent any fact which may influence the **Underwriter's** decision to accept the risk or the terms offered, this could invalidate the **Policy** and mean that claims may not be paid.

If **You** are a commercial customer **You** have a duty to give a fair presentation of risk to us. This means that **You** should disclose every material circumstance relevant to the risk being insured following a reasonable search within **Your** business to identify and verify such information. This should include information which **You** and where applicable **Your** senior management, persons responsible for arranging **Your** insurance or other relevant third parties know or ought to know and should include all information that would influence the judgement of the **Underwriter** or that would put the **Underwriter** on notice that it needs to make further enquiries.

Examples of material circumstances are:

- Special or unusual circumstances relating to the risk;
- Any particular concerns which led **You** to seek insurance cover for the risk; and
- Anything which those concerned with the class of insurance and field of activity in question would generally understand as being something that would be dealt with in a fair presentation of risks for this type of insurance.

The information must be presented in a way, which would be reasonably clear and accessible to a prudent insurer. If **You** are unsure whether to disclose any information **You** should speak to us. **You** need to take into account the size and complexity of **Your** business, and allow **You** sufficient time to consider and / or assess **Your** insurance requirements.

Failure to provide a 'fair representation' may result in a number of remedies by the **Underwriter**. If the breach was deliberate or reckless the **Underwriter** can void the contract and keep the premium. If the breach was not deliberate or reckless the **Underwriter** can void the contract, proportionately reduce a claim settlement or amend the insurance policy terms and conditions then review the merits of a claim on this basis.

**You** should therefore always provide complete and accurate information to us when we ask **You** about the insurance risks **Your** business faces before taking out a policy, at renewal and throughout the life of the **Policy**. This also applies to **Your** responses in relation to any assumptions **You** may agree to in the process of applying for insurance cover.

## 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 **LABC Self Build Warranty 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@labcwarranty.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**.

Before cancelling the cover, please check with **Your** mortgage lender, because they may require **You** to have this cover (or its equivalent) as a condition of their loan. Please remember also 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 **Your 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 under **Your** lease or title to contribute to the cost of repairs along with **Your** neighbours and this may include the costs of repairs which would otherwise be covered under the **Policy**.

## CANCELLATION PRIOR TO CERTIFICATE OF INSURANCE BEING ISSUED

In the event of cancellation, charges for our services will apply as follows:

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 notification of cancellation is given. The amount retained by us will be a pro-rata rate based on the cost of any inspections carried out and any plan checks undertaken prior to the notification of cancellation. For sections of cover which have not commenced an administration fee of up to 35% of the insurance premium will also be charged subject to a minimum fee of £100.00.

## CANCELLATION FOLLOWING CERTIFICATE OF INSURANCE BEING ISSUED

In the event of cancellation after the **Certificate of Insurance** has been issued, **You** will not be entitled to a return of premium.



## 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>Builder</b>	Any person, sole trader, partnership, company or other organisation which is registered with us and with whom the <b>Policyholder</b> has entered into an agreement or contract to construct the <b>Home</b> .
<b>Builders Liability Period</b>	Where a <b>Builder</b> has been employed by a <b>Policyholder</b> to construct the <b>Home</b> , the period commencing from the issue of the <b>Certificate of Insurance</b> for a period of 12 months during which the <b>Builder</b> is responsible for rectifying any occurrence or circumstance that is likely to give rise to a claim.
<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) and associated legislation.
<b>Building Regulations</b>	The <b>Building Regulations</b> 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>Property Insured</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-occupied 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>Development Initial Certificate</b>	The certificate issued by the <b>Scheme Administrator</b> on behalf of the <b>Underwriter</b> signifying its agreement to the provision of the insurance cover for the <b>Home</b> as set out in this <b>Policy</b> , subject to receipt of a <b>Certificate of Approval</b> for the <b>Home</b> , and satisfaction of all <b>Policy</b> conditions.
<b>Excess</b>	<p>The amount the <b>Policyholder</b> is required to pay in the event of a valid claim under each section of the <b>Policy</b>. The <b>Excess</b> is index-linked in accordance with the condition of the <b>Policy</b> in section 6 entitled 'Indexation'.</p> <p>Note that a separate <b>Excess</b> shall apply to each separately identifiable cause of loss or damage for which a payment is made under the <b>Policy</b> by the <b>Underwriter</b>, regardless of whether more than one cause of loss is notified at the same time.</p>
<b>External Envelope</b>	Ground floors, external walls, roofs, skylights, windows and doors of a <b>Home</b> but excluding those parts enclosed below external ground level.
<b>Financial Limit</b>	The maximum the <b>Underwriter</b> will pay for any claims under the terms of a particular section.



<b>Home</b>	<p>The property newly built or newly renovated by the <b>Builder</b> and described in the <b>Certificate of Insurance</b> comprising:</p> <ul style="list-style-type: none"> <li>a) the <b>Structure</b>;</li> <li>b) all non-load bearing elements, any new electrical fixed wiring and lighting system, heating system, air conditioning, smoke alarms, waste-disposal units or water-softening equipment newly installed at the date of issue of the <b>Certificate of Approval</b> and for which the <b>Policyholder</b> is responsible;</li> <li>c) any <b>Common Parts</b>, retaining or boundary walls forming part of or providing support to the <b>Structure</b>;</li> <li>d) any path or roadway within the perimeter of such property giving access to the principal entrance;</li> <li>e) the drainage system that the <b>Policyholder</b> is responsible for maintaining, or contributing to the cost of maintaining; and</li> <li>f) any attached or integral garage.</li> </ul> <p>Note that <b>Home</b> does not include any swimming pool, lift, escalator, or associated plant and equipment and / or mechanical or electrical equipment, temporary structure, free-standing household appliance, fence, retaining or boundary wall not forming part of or providing support to the <b>Structure</b>. <b>Home</b> does not include any detached garage or permanent outbuilding. For the avoidance of doubt, personal chattels do not fall within the definition of <b>Home</b>.</p>
<b>Insolvency</b>	<p>The occurrence of any of the following events:</p> <ul style="list-style-type: none"> <li>a) an order is made, or a resolution is passed, for the winding-up, administration or bankruptcy of the <b>Builder</b> (except for the purposes of solvent amalgamation or reconstruction previously approved by the <b>Underwriter</b> in writing); or</li> <li>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 <b>Builder</b>, or the <b>Builder</b>, or the directors of the <b>Builder</b>, request any person to appoint any of the same; or</li> <li>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 <b>Builder</b> or its directors.</li> </ul>
<b>LABC Self Build Warranty</b>	<p>The insurance cover provided by the <b>Underwriter</b> in accordance with, and subject to, the provisions of this <b>Policy</b>.</p>
<b>Limit of Indemnity</b>	<p>The maximum liability of the <b>Underwriter</b> during the <b>Period of Insurance</b> being the amount shown as the <b>Sum Insured</b> on the <b>Certificate of Insurance</b> or the <b>Financial Limit</b> in the relevant section, whichever is the lesser. The <b>Limit of Indemnity</b> is index-linked in accordance with the condition of the <b>Policy</b> in section 6 entitled '<b>Indexation</b>'.</p>

<b>Major Damage</b>	<p>Either:</p> <p>a) Destruction of or physical damage to any portion of the <b>Home</b> for which a <b>Certificate of Insurance</b> has been issued, caused by a defect in the design, workmanship, materials or components of:</p> <p>i. the <b>Structure</b>; or</p> <p>ii. the waterproofing elements of the <b>External Envelope</b>;</p> <p>and which is first discovered during the <b>Period of Insurance</b>.</p> <p>Or:</p> <p>b) A condition requiring immediate remedial action to prevent actual destruction of, or major physical damage to, any portion of the <b>Home</b> for which a <b>Certificate of Insurance</b> has been issued, caused by a defect in the design, workmanship, materials or components of:</p> <p>i. the <b>Structure</b>; or</p> <p>ii. the waterproofing elements of the <b>External Envelope</b>;</p> <p>and which is first discovered during the <b>Period of Insurance</b>.</p> <p>The term <b>Major Damage</b> shall include any physical loss, destruction or damage to the <b>Home</b> caused by contamination or pollution as a direct consequence of a defect in the design, workmanship, materials or components of the <b>Structure</b> of the <b>Home</b></p>
<b>Management Company</b>	The person(s) (in the context of a multi-occupied building) having contractual responsibility for the repair and maintenance of the <b>Structure</b> and / or the <b>Common Parts</b> under any applicable agreement.
<b>Period of Insurance</b>	The period specified in the <b>Certificate of Insurance</b> for the <b>Home</b> .
<b>Policy</b>	These Terms and Conditions of Insurance, the <b>Development Initial Certificate</b> and the <b>Certificate of Insurance</b> .
<b>Policyholder / You / Your</b>	<p>The owner of the property which is the subject of this insurance acquiring a freehold or leasehold interest in a <b>Home</b> or their successor in title, or any mortgagee or lessor.</p> <p>This <b>Policy</b> is transferable to future owners of the <b>Home</b> provided that such owners contact the <b>Scheme Administrator</b> to notify their details. However no such transfer can take place if the <b>Home</b> is sold by the original <b>Policyholder</b> within twelve months of the inception date of the <b>Policy</b>.</p>
<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', 'us' or 'our' denote MD Insurance Services Limited.
<b>Structure</b>	<p>Is comprised of the following elements of a <b>Home</b>:</p> <p>a) foundations;</p> <p>b) ceilings, load-bearing parts of floors, staircases and associated guard rails, walls and roofs, together with load-bearing retaining walls necessary for stability;</p> <p>c) chimneys;</p> <p>d) roof covering;</p> <p>e) any external finishing surface (including rendering) necessary for the water-tightness of the <b>External Envelope</b>;</p> <p>f) internal floor decking and screeds, where these fail to support normal loads;</p>
<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>Scheme Administrator</b> and 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> .
<b>Underwriter</b>	HSB Engineering Insurance Limited (HSBEIL).

## 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 natural persons, firms, associations or other unincorporated bodies, companies, corporations or other 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. TYPES OF COVER

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#### 3.1. THE INSURING AGREEMENT

- 3.1.1. The **Underwriter** will indemnify the **Policyholder** against all claims discovered and notified to the **Underwriter** during the **Period of Insurance** 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 making good any defect in the design, workmanship, materials or components in the drainage system which was newly constructed by the **Builder** in connection with the **Home** and for which the **Policyholder** is responsible.
  - c) The cost of repairing or making good any defects in the chimneys and flues of the **Home** which was newly constructed by the **Builder** causing an imminent danger to the health and safety of occupants.
- 3.1.2. Where a **Builder** has been appointed by a **Policyholder** to construct the **Home**, a **Builder Liability Period** will apply for the first 12 months of the **Period of Insurance**. During this period, the **Builder** is responsible for rectifying any occurrence or circumstance that is likely to give rise to a claim.

In the event that the **Builder** has failed to rectify any occurrence or circumstance that is likely to give rise to a claim or there is any **Insolvency** affecting the **Builder** the **Underwriter** will indemnify the **Policyholder** and seek legal recourse from the **Builder**.

- 3.1.3. 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 3.1.1 and 3.1.2. above.

#### 3.1.4. FINANCIAL LIMITS

1. **Your Certificate of Insurance** will state the maximum **Limit of Indemnity** which the **Underwriter** will pay for all claims relating to a **Home**. If there is a cumulative maximum applicable (a total of all claims made by all **Policyholders** relating to any **Home** within the same **Continuous Structure**), this will also be detailed on the **Certificate of Insurance**.
2. 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**.
3. Unless stated otherwise in the **Certificate of Insurance**, the **Financial Limits** are index-linked in accordance with the condition of the **Policy** in section 6 entitled '**Indexation**'.
4. Claims under this section are subject to the **Excess** as detailed in the **Certificate of Insurance**.
5. 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.

### 3.1.5. SPECIFIC EXCLUSIONS

1. 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) moisture ingress and related damage resulting from a defect in the design, workmanship or materials of any area enclosed below external ground level.
  - 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.
  - d) sound transmission
  - e) cracking, spalling or mortar erosion, which does not impair the structural stability or weather tightness the **Home**.
  - f) damage to the roof covering (including any underlays, fixings, mortar and weatherproofing details) unless damage results in the entry of water into the **Home**.

### 3.1.6. CLAIMS PROCEDURE WHERE THE POLICYHOLDER IS NOT EMPLOYING A SINGLE BUILDER TO CONSTRUCT THE HOME

1. On discovery of any occurrence or circumstance that is likely to give rise to a claim under this section, the **Policyholder** must immediately notify the **Scheme Administrator** on **0151 650 4318**, and request a claim form.

When notifying the **Scheme Administrator** of a claim, the **Policyholder** must also;

- a) complete the claim form and send evidence (including photographs and reports if appropriate) to the **Scheme Administrator** confirming that there has been an occurrence or circumstance that is likely to give rise to a claim; and
- b) take all responsible steps to prevent further loss or damage; and
- c) allow access to the **Home** during normal working hours; and
- d) obtain permission to access neighbouring land and obtain any other permission needed to allow investigations and work; and
- e) provide the **Scheme Administrator** with all information and documentation it may request in relation to investigating the claim.

### 3.1.7. CLAIMS PROCEDURE WHERE A BUILDER HAS BEEN EMPLOYED TO CONSTRUCT ON BEHALF OF THE POLICYHOLDER

1. The **Builder** is responsible for rectifying any occurrence or circumstance that is likely to give rise to a claim and resultant damage which occurs within **Builders Liability Period**.
2. If you consider that there has been an occurrence or circumstance that is likely to give rise to a claim you should notify the **Builder** in writing as soon as possible to allow them to arrange for any defect(s) 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 defects and resultant damage and resultant damage, you should contact the **Scheme Administrator** on **0151 650 4318** and:
  - a) notify them of a potential claim and request a claim form; and
  - b) complete the claim form and send evidence to the **Scheme Administrator** to show that the **Builder** has been approached to rectify the defect(s) and resultant damage; and
  - c) if there is any **Insolvency** affecting the **Builder**, provide evidence to demonstrate this; and
  - d) allow access to the **Home** during normal working hours; and
  - e) obtain permission to access neighbouring land and obtain any other permission needed to allow investigations and work; and
  - f) provide the **Scheme Administrator** with all information and documentation it may request in relation to investigating the claim.

## 4. ADDITIONAL COVER

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In addition to any applicable cover under the **Policy** in the event of a valid claim under the **Policy** 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**

If, due to an event insured under this **Policy**, the **Home** is rendered uninhabitable then the **Underwriter** will pay the necessary cost of reasonable alternative accommodation incurred by the **Policyholder**, including removal and storage of the **Policyholder's** own possessions (for a period not exceeding 26 weeks).

The **Underwriter** will not pay for any costs or expenses:

- a) incurred without their written consent; and / or
- b) payable in respect of any **Home** not occupied by the **Policyholder** as a permanent residence.

The maximum amount payable under this section 4.2 is subject to a maximum liability of 10% of the unused **Limit of Indemnity** or £100,000 whichever is the lesser.

### 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)

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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 **Scheme Administrator** has been informed, the **Policy** endorsed and any applicable additional premium paid to the **Scheme Administrator**.

### 2. CHANGE IN COLOUR

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

### 3. DEFECTS IN EXISTING WORKS

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

### 4. ENDORSEMENT

Anything excluded by an endorsement issued by the **Scheme Administrator** and noted on the **Certificate of Insurance**.

### 5. 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.

### 6. HUMIDITY

Loss or damage caused by or consequent upon humidity in the **Home** 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 **External Envelope** of the **Home**.

### 7. INDIRECT LOSS

Unless expressly provided for in this **Policy**, economic loss of any description (including 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.

### 8. 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 **Scheme Administrator** has been informed in writing, the **Policy** endorsed and any applicable additional premium paid to the **Scheme Administrator**.

### 9. PERSONAL INJURY

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

### 10. PRIOR KNOWLEDGE

Anything which would constitute a valid claim under the **Policy** and about which the **Policyholder** was aware prior to 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.



## 11. RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS

Any loss or destruction of or damage to any property, any loss or expense whatsoever, any consequential loss or any legal liability directly or indirectly caused by or contributed to by, or arising from:

- (a)
  - (i) ionising radiations or contamination by radioactivity from nuclear fuel or from nuclear waste 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
- (b) the use of any weapon or device:
  - (i) dispersing radioactive material and / or ionising radiation; or
  - (ii) using atomic or nuclear fission and / or fusion or other like reaction
- (c) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter but this will not apply in respect of radioactive isotopes (other than nuclear fuel or nuclear waste) used for the purposes for which they were intended;
- (d) any chemical, biological, bio-chemical, or electromagnetic weapon.

## 12. REASONABLENESS

If items can be found to match existing items at a reasonable cost (being no more than a maximum of 20% higher than the original cost of the item(s) 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 (being no more than a maximum of 20% higher than the original cost of the item(s)).

## 13. SETTLEMENT

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

## 14. SONIC BANGS

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

## 15. SPECIAL PERILS

Loss or damage caused by or consequent upon fire, lightning, explosion, earthquake, storm, tempest, flood, subterranean fire, aircraft or other aerial devices or articles therefrom, escape of water, oil or any other liquids from tanks, pipes, heating system or other apparatus, malicious persons, theft, attempted theft, impact or any accidental cause.

## 16. SUBSIDENCE

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

## 17. TERRORISM

Any loss or damage directly caused by an act of terrorism. For the purposes of this exclusion, an act of terrorism shall mean an act involving the use of force or violence and / or the threat thereof that is committed for political, religious, or ideological purposes and with the intention to influence any government and / or to put the public, or any section of the public, in fear. The perpetrators of an act of terrorism can be acting alone or on behalf of, or in connection with, any organisation(s) or government(s).

## 18. TOXIC MOULD

Loss or damage arising out of any bacteria, yeasts, mildew, viruses, fungi, mould or their spores, mycotoxins or other metabolic products in the **Home**.

## 19. VERMIN

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

## 20. WAR RISKS

Any consequence whatsoever which is the direct or indirect result of any of the following, or anything connected with any of the following, whether or not such consequence has been contributed to by any other cause or event:

- (a) war, invasion, act of a foreign enemy, hostilities or a warlike operation or operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, mutiny or military uprising, martial law; and
- (b) nationalisation, confiscation, requisition, seizure, damage or destruction by or by order of any government or any local or public authority; and
- (c) any action taken in controlling, preventing, suppressing or in any way relating to (a) and/or (b) above.

## 21. WEAR AND TEAR

Wear and tear, normal dampness, condensation, thermal movement, movement between different types of materials or shrinkage or normal deterioration (whether caused by neglect or otherwise).

## 22. WILFUL ACTS

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

## 6. CONDITIONS

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### 1. APPLICABLE LAW

The law of England and Wales will apply to this contract unless:

- a) **You** and We agree otherwise; or
- b) at the date of the contract **You** are a resident of (or, in the case of a business, the registered office or principal place of business is situated in) Scotland, Northern Ireland, the Channel Islands or the Isle of Man, in which case (in the absence of agreement to the contrary) the law of that country will apply.

### 2. ARBITRATION

If any difference shall arise as to the amount to be paid under the **Policy** (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.

### 3. CANCELLATION

Unless otherwise agreed in writing by the **Scheme Administrator** the **Underwriter** reserves the right to cancel the **Policy** and return any premium, less any retentions in line with the cancellation procedures of the **Policy** in the event of:

- (i) the building period exceeding three years from the start date notified to the **Scheme Administrator** when the original application was made;

or

- (ii) If building work ceases for 180 days or more before the **Home** is complete.

### 4. CONTRIBUTION

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

- a) there is (or would be, but for the existence of this insurance) any other insurance applicable; or
- b) the **Policyholder** has entitlement to any statutory damages, damage or compensation; or
- c) the **Policyholder** has initiated legal proceedings from which compensation may be received,

then any applicable cover under this **Policy** shall be limited to such amount in excess of such insurance, damages or compensation (without prejudice to any **Financial Limits** specified in the **Policy**) and shall not be called into contribution.

### 5. FRAUD

If a claim made is fraudulent or fraudulently exaggerated or supported by a false statement or fraudulent means or fraudulent evidence is provided to support the claim, the **Underwriter** may:

- (a) refuse to pay the claim,
- (b) recover any sums paid in respect of the claim,
- (c) by notice to the **Policyholder** cancel the policy with effect from the date of the fraudulent act without any return of premium.

If the **Underwriter** cancels the policy under (c) above, then the **Underwriter** may refuse to provide cover after the time of the fraudulent act. This will not affect any liability the **Underwriter** may have in respect of the provision of cover before the time of the fraudulent act.

## 6. INDEXATION

The **Limit of Indemnity** and **Excess** referred to within the **Certificate of Insurance** will be increased in line with the RICS House Re-Building Index or 5% per annum compound (whichever is the lesser) on each anniversary of the commencement of the **Period of Insurance**. For the purpose of settlement of any claim hereunder, the **Limit of Indemnity** and **Excess**,

as adjusted in accordance with the foregoing provisions, shall be regarded as the **Limit of Indemnity** and **Excess** at the time of discovery by the **Policyholder** of such claim.

## 7. 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.

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

## 8. MULTI-OCCUPIED BUILDINGS

Where the **Home** is part of a multi-occupied building (where a number of **Homes** are contained within one building), the **Management Company** shall normally co-ordinate the claim in respect of all **Policyholders** of the multi-occupied building and where that is the case the **Scheme Administrator** shall not be obliged to correspond with the individual **Policyholder** regarding such claims.

## 9. NON DISCLOSURE, MISREPRESENTATION OR MISDESCRIPTION

*Before the **Policy** was entered into:*

If the **Policyholder** has breached their duty to make a fair representation of the risk to the **Underwriter** before the **Policy** was entered into then where the breach was deliberate or reckless, the **Underwriter** may avoid this **Policy** and refuse all claims, and keep all premiums paid.

Where the breach was neither deliberate nor reckless, and but for the breach:

- a) The **Underwriter** would not have agreed to provide cover under this **Policy** on any terms, the **Underwriter** may avoid this policy and refuse all claims, but will return any premiums paid, and / or
- b) The **Underwriter** would have agreed to provide cover under this policy but on different terms (other than premium terms), the **Underwriter** may require that this policy includes such different terms with effect from its commencement, and / or
- c) The **Underwriter** would have agreed to provide cover under this policy but would have charged a higher premium,

The **Underwriter's** liability for any loss amount payable shall be limited to the proportion that the premium the **Underwriter** charged bears to the higher premium the **Underwriter** would have charged, as outlined in Schedule 1 to the Insurance Act 2015.

*Before a variation to the **Policy** was agreed*

If the **Policyholder** has breached the **Policyholder's** duty to make a fair representation of the risk to the **Underwriter** before any variation to this **Policy** was agreed, then where the breach was deliberate or reckless, the **Underwriter** may cancel this **Policy** with effect from the date of the variation, and keep all premiums paid.

Where the breach was neither deliberate nor reckless, and but for the breach:

- a) The **Underwriter** would not have agreed to the variation on any terms, the **Underwriter** may treat this **Policy** as though the variation was never made, but will return any additional premiums paid, and / or
- b) The **Underwriter** would have agreed to the variation but on different terms (other than premium terms), the **Underwriter** may require that the variation includes such different terms with effect from the date it was made, and / or
- c) The **Underwriter** would have agreed to the variation but would have increased the premium, or would have increased it by more than the **Underwriter** did, or would not have reduced it or reduced it by less than the **Underwriter** did,

The **Underwriter's** liability for any loss amount payable shall be limited on a proportionate basis, as outlined in Schedule 1 to the Insurance Act 2015.

This condition operates in addition to any provisions relating to underinsurance in this **Policy**.

## 10. NOTIFICATION OF CLAIMS

Where a **Builder** has been employed by a **Policyholder** to construct the **Home** it is important to note that it is a condition to the payment of any claim(s) under the **Policy** that concerns have been notified to the **Builder** in writing within the first 12 months following the start of the **Period of Insurance** and if the **Builder** does not respond then the defects and resultant damage must be notified to the **Scheme Administrator** in writing within 6 months following the expiry of the 12 months. The **Underwriter** will have no liability for any matter which is not notified within these time frames

## 11. RECOVERIES FROM THIRD PARTIES

The **Underwriter** is entitled (and the **Policyholder** gives consent to the **Underwriter**) to take proceedings, at its own expense, to enforce any right the **Policyholder** may have against any third party before or after any admission of or payment of a claim under 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.

## 12. REINSTATEMENT OF LIMIT OF INDEMNITY

Where any successful claim has been made under the **Policy** and which is met by the **Underwriter** for less than the **Limit of Indemnity** for the relevant section, such **Limit of Indemnity** shall (in accordance with the provisions of this **Policy**) be reduced to the extent such claim has been met by the **Underwriter**. In such circumstances, the **Policyholder** may request that the **Limit of Indemnity** be reinstated. The decision to reinstate any **Limit of Indemnity** shall be at the sole discretion of the **Underwriter** and shall in any event be subject to:

- a) payment by the **Policyholder** of any fee charged by the **Surveyor** for checking the design of the **Home** and inspecting any work for the repair or rebuilding of any **Home** which has been the subject of a claim under this **Policy**; and
- b) the **Surveyor** certifying that such repair or rebuilding work meets the **Underwriter's** required standards; and
- c) payment by the **Policyholder** of any additional premium required to be paid in respect of any such reinstatement, as notified by the **Underwriter**.

For the avoidance of doubt, the **Policyholder** shall be required to pay the **Surveyor's** fee referred to above regardless of whether or not the **Limit of Indemnity** is reinstated.

### 13. TERMINATION

This **Policy** will terminate automatically without refund of premium in the event that:

- a) the **Home** is destroyed by a cause other than that insured against in this **Policy**; or
- b) the **Underwriter** has paid the maximum amount for which it will be liable under the **Policy** in accordance with the **Limit of Indemnity** unless the **Limit of Indemnity** has been reinstated in line with the Reinstatement of **Limit of Indemnity** Condition.

The cover under this **Policy** will terminate automatically without refund of premium in the event that the **Underwriter** has paid the maximum amount for which it will be liable under the relevant section in accordance with the relevant **Limit of Indemnity**.

### 14. 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 that Act.

### 15. UNDERWRITER'S RIGHTS

In the event of any occurrence which may give rise to a claim under this **Policy**, the **Underwriter** and its agents (including the **Builder** and / or their subcontractors) shall, with the permission of the **Policyholder**, be entitled to enter the **Home** in order to carry out rectification works or the complete or partial rebuilding of the **Home**. If such permission is unreasonably withheld by the **Policyholder** then the **Policyholder** shall be responsible for any additional costs caused by the delay in carrying out such works and the **Underwriter** has the sole option to void the **Policy** from inception.

### 16. UNOCCUPIED HOME

The **Policyholder** is required to notify the **Scheme Administrator** if the **Home** is to be left unoccupied for a period of 60 consecutive days or more. It is the duty of the **Policyholder** to maintain and visit the **Home** during any period that it is not occupied. Should this not occur the **Underwriter** reserves the right to void the **Policy**. It may also affect the rights of the **Policyholder** in the event of a claim being made under the **Policy**.

## 7. HOW TO MAKE A COMPLAINT

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1. We have the authority to administer complaints on behalf of the **Underwriter**. We aim 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: 0151 650 4318

3. A copy of our Complaints Procedure will be provided with an acknowledgement of **Your** complaint.
4. Any complaint that cannot be resolved by us 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. Their address is:

The Financial Ombudsman Service  
Exchange Tower  
London E14 9SR

Or via the website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

5. In all cases, the Reference Number appearing in the **Development Initial Certificate** and **Certificate of Insurance** should be quoted.

### 6. FINANCIAL SERVICES COMPENSATION SCHEME

Policies issued by us 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 its 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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