RULES OF REGISTRATION
All Companies applying for or taking out a Warranty on a New Development with LABC Warranty shall comply with these Rules.

These Rules apply to all Companies applying for registration with LABC Warranty and to all New Developments registered with LABC Warranty. These Rules may be amended from time to time and any such amendments will apply to all New Developments registered with LABC Warranty at any time after notice of such amended Rules has been given.

These Rules are effective from 1st March 2016.

Compliance by the Company with these Rules is a condition precedent to the Underwriter providing insurance for any proposed Home(s).

Defined terms used in these Rules are as set out in Section 1 of these Rules. Section 1 also sets out the rules of interpretation for these Rules.

These Rules and any dispute or claim arising out of or in connection with them or their subject matter shall be governed by and construed in accordance with the laws of England and Wales.

Please read this document carefully as all Companies will have legal responsibilities and obligations under these Rules. If you have queries of any nature then please do not hesitate to contact the Scheme Administrator.

SCHEME ADMINISTRATOR:

MD Insurance Services Ltd.

Telephone: 08444 054 0505

Fax: 08444 054 0501

Email: customerservices@labcwarranty.co.uk
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## 1. Definitions and Interpretation

### 1.1 In these Rules, unless the context otherwise requires, the following terms shall have the following meanings given to them:

<table>
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<th>Term</th>
<th>Definition</th>
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<tr>
<td>Application Form</td>
<td>means the form or the online application which is submitted by the Company to register with the Scheme Administrator and / or for a proposed New Development in respect of which the Company wishes to effect insurance under the relevant Policy;</td>
</tr>
<tr>
<td>Bond</td>
<td>means LABC Warranty’s Road and Sewer Bond pursuant to which the Underwriter agrees to provide certain cover to a third party in the event that the Company fails to fulfil its obligations to carry out certain works under an agreement with such third party;</td>
</tr>
<tr>
<td>Builder</td>
<td>has the meaning given to such term in the Policy;</td>
</tr>
<tr>
<td>Building Control</td>
<td>has the meaning given to such term in the Policy;</td>
</tr>
<tr>
<td>Building Regulations</td>
<td>has the meaning given to such term in the Policy;</td>
</tr>
<tr>
<td>Code</td>
<td>means the Consumer Code for Home Builders, as updated from time to time;</td>
</tr>
<tr>
<td>Certificate of Approval</td>
<td>has the meaning given to such term in the Policy;</td>
</tr>
<tr>
<td>Certificate of Insurance</td>
<td>has the meaning given to such term in the Policy (or, where applicable, in the Bond);</td>
</tr>
<tr>
<td>Common Parts</td>
<td>Those parts of a multi-ownership building (of which the Home is part) for which the Policyholder 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 Management Company:</td>
</tr>
<tr>
<td>Company</td>
<td>means, as the context shall permit or require: a) the person, firm, company or other organisation whom or which applies to be registered with LABC Warranty in accordance with and pursuant to these Rules; b) the person, firm, company or other organisation whom or which applies for a warranty on a New Development with LABC Warranty; or c) a Developer or a Builder or both of them (and Companies shall be construed accordingly);</td>
</tr>
<tr>
<td>Completion Certificate</td>
<td>the certificate issued by the Local Authority Building Control Inspector following completion of Building Control for a Home or the New Development;</td>
</tr>
<tr>
<td>Dispute Resolution Service</td>
<td>has the meaning given to such term in the Policy;</td>
</tr>
<tr>
<td>Defect</td>
<td>has the meaning given to such term in the Policy;</td>
</tr>
<tr>
<td>Defects Insurance Period</td>
<td>has the meaning given to such term in the Policy;</td>
</tr>
<tr>
<td>Development Initial Certificate</td>
<td>the certificate issued under the New Homes, Social Housing and Private Rental schemes by the Underwriter signifying its agreement to the provision of the insurance cover for the New Development as set out in the Policy subject to receipt of a Certificate of Approval and a Completion Certificate (if required) for each Home and satisfaction of all relevant conditions of such Policy;</td>
</tr>
<tr>
<td>Developer</td>
<td>has the meaning given to such term in the Policy under the New Homes Scheme (or, where applicable, in the Bond);</td>
</tr>
<tr>
<td>Home(s)</td>
<td>has the meaning given to such term in the Policy;</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Home Initial Certificate</td>
<td>the certificate issued under the <strong>New Homes</strong>, <strong>Social Housing</strong> and <strong>Private Rental</strong> schemes (upon request) by the <strong>Underwriter</strong> signifying its agreement to the provision of the insurance cover for the <strong>Home</strong> as set out in the <strong>Policy</strong> subject to receipt of a <strong>Certificate of Approval</strong> and a <strong>Completion Certificate</strong> (if required) for each <strong>Home</strong> and satisfaction of all relevant conditions of such <strong>Policy</strong>;</td>
</tr>
<tr>
<td>Insolvency</td>
<td>has the meaning given to such term in the <strong>Policy</strong>;</td>
</tr>
<tr>
<td>LABC Warranty</td>
<td>means the range of insurance arranged by the <strong>Scheme Administrator</strong> under the <strong>LABC Warranty</strong> brand;</td>
</tr>
<tr>
<td>Local Authority Building Control Inspector</td>
<td>the officer(s) of the <strong>Local Authority Building Control</strong> department appointed to carry out the <strong>Building Control</strong> function;</td>
</tr>
<tr>
<td>New Development</td>
<td>has the meaning given to such term in the <strong>Policy</strong> (and <strong>New Developments</strong> shall be construed accordingly);</td>
</tr>
<tr>
<td>New Homes Scheme</td>
<td>means the <strong>LABC Warranty</strong> scheme which provides cover in relation to new and refurbished or converted homes (other than as covered under the <strong>Social Housing</strong> or <strong>Private Rental Scheme</strong>);</td>
</tr>
<tr>
<td>Policy</td>
<td>means the relevant <strong>LABC Warranty</strong> policy of insurance issued by the <strong>Scheme Administrator</strong> on behalf of the <strong>Underwriter</strong> in respect of the relevant <strong>New Development</strong>;</td>
</tr>
<tr>
<td>Policyholder</td>
<td>has the meaning given to such term in the <strong>Policy</strong>;</td>
</tr>
<tr>
<td>Private Rental Scheme</td>
<td>means the <strong>LABC Warranty</strong> scheme which provides cover in relation to private rental properties;</td>
</tr>
<tr>
<td>Registration Fee</td>
<td>means the annual fee which is required to be paid for the registration of the <strong>Company</strong>. The <strong>Company</strong> must be registered throughout any period for which you have a responsibility under the terms of the <strong>Policy</strong>;</td>
</tr>
<tr>
<td>Rules</td>
<td>means these <strong>Rules of Registration</strong>;</td>
</tr>
<tr>
<td>Scheme Administrator</td>
<td>has the meaning given to such term in the <strong>Policy</strong>;</td>
</tr>
<tr>
<td>Social Housing Scheme</td>
<td>means the <strong>LABC Warranty</strong> scheme which provides cover in relation to social housing;</td>
</tr>
<tr>
<td>Surveyor</td>
<td>means the surveyor appointed by the <strong>Underwriter</strong> to carry out checks and inspections on behalf of the <strong>Underwriter</strong> (and who, where applicable, issues a <strong>Certificate of Approval</strong>);</td>
</tr>
<tr>
<td>Structural Insurance Period</td>
<td>has the meaning given to such term in the <strong>Policy</strong>;</td>
</tr>
<tr>
<td>Technical Manual</td>
<td>means the relevant <strong>Technical Manual</strong> as defined in the <strong>Policy</strong>;</td>
</tr>
<tr>
<td>Underwriter</td>
<td>has the meaning given to such term in the <strong>Policy</strong> (or, where applicable, in the Bond).</td>
</tr>
</tbody>
</table>
1.2 In these Rules (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) references to a gender include all other genders;
   c) words importing the singular shall include the plural and vice versa; and
   d) references to a person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

1.3 In the event of any conflict between the provisions of these Rules, the Policy and/or the Technical Manual then the conflict shall be resolved in accordance with the following descending order of precedence: these Rules, the Policy and the Technical Manual.

1.4 The headings in these Rules are for ease of reference only and shall not affect the construction or interpretation of these Rules.

2. SUMMARY OF COVER

2.1 BACKGROUND

LABC Warranty is equivalent to the insurance cover required to be provided in respect of new home warranty schemes in accordance with the Council of Mortgage Lenders Handbook for England and Wales.

LABC Warranty is committed to quality both in terms of ensuring that houses are built to the highest possible standards and also in the standard of service provided to Companies and Policyholders.

The Company has to comply with Building Regulations and the requirements of the authorised Building Control Body involved in inspecting 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. For Home(s) insured under LABC Warranty the Building Control function is undertaken by Local Authority Building Control.

LABC Warranty can also offer a Bond facility (subject to certain criteria), further details of which are available on request.

2.2 POLICY COVERAGE

The relevant Policy document should be read carefully and in conjunction with these Rules. The Development Initial Certificate and the Home Initial Certificate (as applicable) issued for each New Development will detail the sections of cover which are applicable. The Development Initial Certificate and the Home Initial Certificate should be read carefully and in conjunction with the wording of the Policy.

2.3 BOND COVERAGE

The relevant Bond documents should be read carefully and in conjunction with these Rules. The Certificate of Insurance issued for the New Development will detail the cover which is applicable. The Certificate of Insurance should be read carefully and in conjunction with the wording of the Bond.
3. ACCEPTANCE OF A COMPANY FOR INSURANCE

3.1 APPLICATION FORM

Before insurance can be incepted, the Scheme Administrator must receive a duly completed and signed Application Form from the Company. It is a condition of all insurance that the Company pays all fees and other amounts due to the Scheme Administrator on the due date for payment.

Following receipt of the Application Form from the Company, the Scheme Administrator may, in its discretion:

a) register the Company with LABC Warranty;
b) register the Company with LABC Warranty but apply certain conditions to such registration;
c) decide not to register the Company with LABC Warranty; or
d) postpone its decision relating to the Company’s application for registration until such time as it has sufficient information to make such decision;

and the Scheme Administrator will notify the Company in writing as to which of the above is applicable.

The Scheme Administrator reserves the right to ask for any information that it or the Underwriter considers relevant to the Company’s application for registration. The Scheme Administrator may also require a technical assessment to be carried out in respect of the Company in relation to the application for registration.

3.2 TERMS FOR NEW DEVELOPMENTS

An Application Form must be submitted by the Company in respect of each New Development. The proposed terms for each New Development will be notified separately by the Scheme Administrator following receipt by it of the relevant Application Form and any supporting information requested by the Scheme Administrator.

Where the Company wishes to effect insurance in respect of any proposed New Development, it should forward to the Scheme Administrator a signed quote acceptance, sent with the quotation by the Scheme Administrator for the proposed New Development, and make payment to Scheme Administrator of all applicable sums due at least three weeks before works are due to commence at such New Development. Following receipt of these, the Scheme Administrator will instruct the Surveyor to contact the Company to arrange a time and date to initiate the audit process.

The Scheme Administrator may cancel any request made in an Application Form, or cancel all or any part of the cover under any Policy (except for Section 3.1 of the Policy under the New Homes Scheme or for the Insolvency of the Builder Endorsement under the Social Housing Scheme) if:

a) construction works at the New Development are not started within one year of the date of submission of the relevant Application Form;
b) construction works at the New Development are suspended for a period of more than 180 consecutive days;
c) if the Company gives notice (whether or not to the Scheme Administrator) that it has or intends to cease construction works at the New Development, or the Company threatens to do so;
d) construction works at the New Development are not completed within three years following the completion date specified by the Company on the relevant Application Form; or
e) the Home/s is sold to any firm, company or other organization.

3.3 CHANGE IN DETAILS

Should any of the details relating to the Company on the original Application Form or on any Application Form change or should there be any change in circumstances which means that (or could reasonably be expected to result in) such details being misleading or no longer remaining entirely accurate, the Company should notify the Scheme Administrator in writing as soon as possible but in any event within 48 hours of such change.
3.4 COMPLIANCE WITH RULES AND POLICIES

It is a condition precedent to the Underwriter providing insurance for any proposed Home(s) that the Company:

a) complies with these Rules; and
b) satisfies all applicable conditions of the Policy.

The Company shall be under a continuing obligation to comply with these Rules (including as updated under section 12.9 of these Rules), for all New Developments insured under LABC Warranty. Failure of the Company to comply with these Rules may void, diminish or otherwise affect the insurance provided in respect of the New Developments.

3.5 ASSESSMENT OF QUALITY

A continuous scheme of quality assessment shall be in place in respect of the Company and each New Development. The following procedures shall apply in respect of such assessments:

a) the Surveyor will carry out a design check on each New Development and each Home type;
b) after each visit to site, the Surveyor will complete a site inspection report;
c) the performance of a Company in respect of each New Development will be continuously assessed;
d) on completion of each New Development, an assessment will be made of the quality of the work on the New Development;
e) the assessment for each New Development will be electronically stored and an on-going assessment of quality will be made.

3.6 CONDITIONS OF REGISTRATION

Without prejudice to Sections 3.1 and 3.4 of these Rules, the Underwriter may require, at its discretion, any one or more of the following before providing any insurance for a New Development:

a) a signed Company Indemnity Agreement from the Company;
b) security for any indemnity required by the Underwriter in one or more of the following forms (at the discretion of the Underwriter):
   i. a bond executed by a bank, insurance company or other surety acceptable to the Underwriter;
   ii. an amount held in escrow;
   iii. an associate company guarantee and/or indemnity relating to the obligations of the Company under these Rules and/or one or more of the documents referred to in this Section (3.6) of these Rules;
   iv. a guarantee and/or an indemnity from any person acceptable to the Underwriter confirming (jointly and individually) that:
      • the Company will comply with the provisions of the Policy which is proposed to be issued in respect of the New Development; and
      • the Company will ensure that all third parties for which they have a contractual responsibility comply with the provisions of the Policy which is proposed to be issued in respect of the New Development;

c) evidence that the Company has satisfied any applicable conditions of a Policy which has been issued previously or which is proposed to be issued in respect of the New Development.

Where the Scheme Administrator registers the Company with LABC Warranty subject to certain conditions, those conditions shall apply in addition to the provisions of these Rules and all references to these Rules shall be deemed to include reference to such conditions. The Scheme Administrator may, on giving written notice to the Company at any time, remove or vary any such conditions in its discretion. In the event of any conflict between the provisions of these Rules and any such conditions, then such conditions shall prevail.
3.7 ESCROW ARRANGEMENTS

All monies held in escrow will be held separately by an independent escrow agent who will release the monies held upon the sole instructions of the Scheme Administrator to either the Company or the Underwriter (as appropriate).

If an escrow account is to apply for a New Development, details of the escrow account will be provided as part of the order confirmation which details the amounts payable and how the account will be administered / utilised by the Scheme Administrator in the event of any claims associated with the Developer or Builder.

3.8 LIMITS ON NUMBER OF HOMES

The Underwriter may at its discretion and at any time impose a limit on the number of Homes that can be registered by the Company.

3.9 REGISTRATION FEE

In order to be and remain registered with LABC Warranty, an annual Registration Fee must be paid by the Company, if applicable. This fee is payable for each year (or part year) that the Company is registered.

It is a requirement of these Rules that you must be registered throughout any period for which you have a responsibility under the terms of the Policy. For the avoidance of doubt this means up to the end of the Defects Insurance Period for the last Certificate of Insurance we issue in the name of the Company.

The Company shall not in any circumstances be entitled to any refund or repayment of all or part of the registration fee.

Failure to maintain registration will mean that no cover will be offered by LABC Warranty and therefore no certification will be issued which the Company may require for any New Development. For the avoidance of doubt, failure to maintain registration includes making any voluntary arrangement with creditors or Insolvency of the Company.

4. THE TECHNICAL AUDIT

4.1 THE ROLE OF THE SURVEYOR

The Surveyor is engaged by (and for the purposes of these Rules works solely on behalf of) the Underwriter to assess the quality of each Home in order to determine whether it represents a standard risk to the Underwriter. To achieve this they will check whether the Homes have been constructed in accordance with the functional requirements and performance standards contained in the Technical Manual. The checks will not be exhaustive and the Surveyor will be carrying out random checks on the Homes.

The Company must notify the Scheme Administrator, sufficiently in advance, of the expected dates of each relevant stage of construction of each Home to enable all inspections and technical investigations referred to in these Rules and in the Technical Manual to take place at the appropriate time.

For the avoidance of doubt the Surveyor will have no liability to any party other than the Underwriter in the event of defects being discovered during the Defects Insurance Period or Structural Insurance Period and it is the sole responsibility of the Company to ensure that each Home is constructed using good industry practice and materials.

The Surveyor will also be monitoring the standard of construction for each New Development, as outlined in Section 3.5 of these Rules.
4.2 CHECKS CARRIED OUT BY THE SURVEYOR

Where appropriate the Surveyor will carry out the following checks on the Home:

a) a plan check;
b) a check of calculations;
c) a review of the historical records for the site;
d) a check on the site investigation procedures and reports;
e) a review of any remediation measures and subsequent verification procedures;
f) visits to site to check standards of construction;
g) checks on materials or components used in the construction;
h) checks that relevant guarantees and warranties required from third parties are received;
i) checks on the standard of construction.

These reviews and checks should not be relied upon by the Company to confirm that the construction and design and materials of the Home complies with Building Regulations and all relevant legislation applicable at the time each New Development is started. The Company accepts that it has not, and will not place any reliance on such checks and reviews to satisfy itself that this is the case.

4.3 CERTIFICATES OF APPROVAL

If in the opinion of the Surveyor a Home represents a standard risk to the Underwriter and complies with the technical requirements of the Technical Manual they will issue a Certificate of Approval to the Scheme Administrator. Receipt of a Certificate of Approval will allow the Scheme Administrator to issue the Certificate of Insurance for the relevant Home, subject to satisfaction of all applicable conditions of a quotation, the Policy and these Rules.

If in the opinion of the Surveyor a Home does not comply with the functional requirements and performance standards contained within the Technical Manual and therefore does not represent a standard risk to the Underwriter, the Surveyor will not issue a Certificate of Approval to the Scheme Administrator and the Scheme Administrator will not issue any certification.

4.4 COMMUNICATION

The Company must notify the Scheme Administrator immediately on becoming aware of any matter which could result in any Home not meeting any of the functional requirements and performance standards of the Technical Manual.

The Surveyor will communicate directly with the Company to obtain information about any technical issues involved in the design and construction of the relevant Home(s). The Company shall keep the Surveyor, who has been appointed to a New Development, advised of any changes in the timetable or changes in design or any matter which may affect the insurance which is to be provided.

The Surveyor will from time to time issue reports to the Scheme Administrator and copies of site inspection reports will be forwarded to the Company.

Communication regarding all matters other than technical issues involved in the design and construction of a New Development shall be between the Scheme Administrator and the Company or any intermediary acting on the Company’s behalf.

4.5 DISPUTES

If in the opinion of the Surveyor any item does not comply with the functional requirements and performance standards of the Technical Manual during the Building Period they will advise the Company accordingly. Should the Company disagree with the opinion of the Surveyor the matter shall be referred to the Scheme Administrator’s Technical Services Department who will review the case further. The Scheme Administrator’s decision is final.
5. NOTIFICATION AND COMMUNICATION

5.1 COVER

For a Policy under the New Homes Scheme:

a) the Development Initial Certificate and the Home Initial Certificate each detail the sections of the Policy for which cover will be provided for both the New Development and each Home;

b) the Development Initial Certificate and the Home Initial Certificate each confirm the cover provided under Section 3.1 of the Policy (subject to satisfaction of all applicable conditions of the Policy);

c) no insurance cover shall apply in respect of Sections 3.2, 3.3, 3.4 and 3.5 of the Policy and the Scheme Administrator will not issue any Certificates of Insurance until a Certificate of Approval has been issued by the Surveyor and where applicable a Completion Certificate has been issued by the Local Authority Building Control Inspector and subject to satisfaction of all applicable conditions of the Policy.

For a Policy under the Social Housing Scheme and Private Rental Scheme:

a) the Development Initial Certificate details the sections of the Policy for which cover will be provided for both the New Development and each Home;

b) no insurance cover shall apply in respect of Sections 3.1, 3.2, 3.3 and 3.4 of the Policy and the Scheme Administrator will not issue any Certificates of Insurance until a Certificate of Approval has been issued by the Surveyor and where applicable a Completion Certificate has been issued by the Local Authority Building Control Inspector and subject to satisfaction of all applicable conditions of the Policy.

The Building Control function will have been undertaken by Local Authority Building Control.

a) a satisfactory final inspection has been carried out by the Surveyor; and

b) the Local Authority Building Control Inspector has confirmed that they are not aware of any circumstances that would restrict their ability to issue a Completion Certificate, then:

c) for a Policy under the New Homes Scheme, a cover note will be issued, if requested, for each Home confirming cover under Sections 3.2, 3.3, 3.4 and 3.5 (as applicable) of the Policy is in effect (subject to satisfaction of all applicable conditions of the Policy);

d) for a Policy under the Social Housing Scheme and Private Rental Scheme, a cover note will be issued, if requested, for each Home confirming cover under Sections 3.1, 3.2, 3.3 and 3.4 (as applicable) of the Policy is in effect (subject to satisfaction of all applicable conditions of the Policy).

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 Completion Certificate has been issued by the Local Authority Building Control Inspector and subject to satisfaction of all applicable conditions of a quotation and the Policy.
5.2 DEVELOPERS NOT ACTING AS BUILDERS

Where a Developer (or proposed Developer) is not actually constructing the relevant Home(s) which the Developer (or proposed Developer) wishes to be insured under LABC Warranty:

a) the Builder (or proposed Builder) who will be constructing such Home(s) must also be registered with LABC Warranty and comply with these Rules accordingly; and
b) it is the sole responsibility of the Developer to ensure that a copy of the Technical Manual is provided to such Builder.

In respect of a Policy under the New Homes Scheme:

a) the Developer shall be responsible for any claims arising under Section 3.2 of the Policy;
b) the Policy will cover the interests of the Policyholder under Sections 3.3, 3.4 and 3.5 of the Policy (as applicable) and the Developer confirms and agrees that the Underwriter will retain all rights of subrogation against the Builder under all applicable sections of the Policy.

In respect of a Policy under the Social Housing Scheme and Private Rental Scheme:

a) the Builder shall be responsible for any claims arising under Section 3.1 of the Policy;
b) the Policy will cover the interests of the Policyholder under Sections 3.2, 3.3 and 3.4 of the Policy (as applicable).

5.3 DEVELOPERS ALSO ACTING AS BUILDERS

For the avoidance of doubt, where a Builder (or proposed Builder) is also a Developer (or proposed Developer), these Rules and the applicable provisions of a Policy which refer to a Developer apply also to the Builder (or proposed Builder) in its capacity as a Developer (or proposed Developer).

5.4 BUILDING STANDARDS

All Homes must be built in accordance with the standards set out in the Technical Manual.

5.5 INSURANCE NOT EFFECTED

If for any reason the insurance contemplated under:

a) Sections 3.2, 3.3, 3.4 and 3.5 of a Policy (or proposed Policy, where applicable) under the New Homes Scheme; and/or
b) Sections 3.1, 3.2, 3.3 and 3.4 of a Policy (or proposed Policy, where applicable) under the Social Housing Scheme and Private Rental Scheme.

is not effected then the premium in respect of such Sections will be returned to the Company (after deducting any applicable administration charges and any other amounts due to the Scheme Administrator or Underwriter). The Company must pay the fees of the Surveyor whether or not such insurance is effected. If the works on the relevant site have not been completed then, depending upon the stage of the works and the number of inspections undertaken at the date on which such premium is returned, a refund of part of the site audit fees may be applicable (at the discretion of the Scheme Administrator). Where the development is completed, in no circumstances shall the Company be entitled to any refund or repayment of all or part of such fees.

5.6 SALE OR RENTAL OF HOME

For the New Homes Scheme the Company must immediately notify the Scheme Administrator in writing when any Home is sold or rented out by the Company. The Company must also promptly supply such other information required by the Scheme Administrator in respect of such sale or rental.
5.7 CHANGE IN VALUE

Should the actual sale price of a Home exceed the estimated market value specified on the relevant Application Form then the Company must notify the Scheme Administrator in writing when giving notice under Section 5.6 of these Rules. The Scheme Administrator reserves the right to charge an additional premium with regard to the increased value of such Home.

5.8 CHANNELS OF COMMUNICATION

If the Scheme Administrator receives an application for insurance from a FCA approved intermediary on behalf of the Company, the Scheme Administrator will issue correspondence regarding applications for insurance and terms for the relevant New Development via the intermediary. Information passed to the intermediary will be deemed to be in the knowledge and possession of the Company. Any technical queries may nevertheless be raised directly with the Company, where considered appropriate by the Scheme Administrator.

The Scheme Administrator may share any information with relevant parties as noted as contacts in the warranty Application Form or as supplied at a later date.

The Surveyor will communicate directly with the Company or its representative regarding the design check and inspections conducted by the Surveyor. The Surveyor will issue reports and a Certificate of Approval only to the Scheme Administrator.

6. THE COMPANY’S RIGHTS AND RESPONSIBILITIES

6.1 THE COMPANY’S RESPONSIBILITY FOR THE WORK OF OTHERS

As between the Company and the Underwriter, the Company shall be wholly responsible for the design adopted for a New Development and for the workmanship of any third party except where a Developer has employed a separate Builder under the New Homes Scheme. In this instance the Builder’s liability is limited to its contractual responsibility to the Developer.

6.2 SUPPLY OF INFORMATION

The Company shall promptly supply, or arrange for the supply of (free of cost to the Surveyor, and the Scheme Administrator and the Underwriter) all or any of the following upon request:

a) relevant drawings;
b) relevant calculations, including (for example) structural calculations, thermal calculations, condensation risk calculations and mechanical engineering calculations;
c) historical checks on sites;
d) reports supplied by professionals or other parties regarding a New Development;
e) guarantees and insurance warranties required from third parties, including (for example) in respect of basement design, roofing and commissioning of heat producing appliances;
f) other information reasonably required by the Surveyor, such as details of the site manager etc.;
g) other information requested to satisfy any Policy condition(s).

In addition, the Company shall ensure that the Surveyor has full access to each New Development.
6.3 RESPONSIBILITY DURING THE DEFECTS INSURANCE PERIOD

For a Policy under the New Homes Scheme:

- The Developer is responsible to the Policyholder during the Defects Insurance Period for any failure to rectify any Defects.

For a Policy under the New Homes Scheme where a separate Builder is employed:

- The Developer is responsible to the Policyholder during the Defects Insurance Period for any failure to rectify any Defects. In the event that the Developer fails to rectify the Defect, the Builder is responsible.

For a Policy under the Social Housing Scheme and Private Rental Scheme:

- The Builder is responsible to the Policyholder during the Defects Insurance Period for any failure to rectify any Defects.

The Dispute Resolution Service procedure set out within the Policy is intended to facilitate the resolution of disputes between the Policyholder and the Company. The Company shall participate in the Dispute Resolution Service whenever requested by the Scheme Administrator in respect of any dispute between the Company and a Policyholder.

Any disputes between the Policyholder and the Company that fall outside the Dispute Resolution Service may qualify for referral to the independent resolution scheme under the Code. Further details of the Code are available in Section 7 of these Rules.

Whenever the Underwriter has to meet any claim to remedy a Defect by the Company, the Underwriter shall be entitled to:

a) issue proceedings for the recovery of any payments made;

b) recover under any indemnity provided by the Company to the Underwriter on demand; and/or

c) recover under any bond, undertaking or guarantee provided to the Underwriter on demand.

7. CONSUMER CODE FOR HOME BUILDERS

7.1 INTRODUCTION

The Code applies to all Home Builders (as defined in the Code) who accept reservations (a written statement of intent or contract to purchase a home) from a home buyer for a new or newly converted home on or after the 1st April 2010 and which has been registered with a Home Warranty Body (as defined in the Code).

The Code sets requirements that all Home Builders must meet when marketing and selling homes as well as in their after sales customer service.

The purpose of the Code is to ensure that home buyers:

a) are treated fairly;

b) know what service levels to expect;

c) are given reliable information upon which to make their decisions;

d) know how to access a speedy, low-cost dispute resolution arrangement if they are dissatisfied.
7.2 TERMS OF REGISTRATION

It is a requirement of these Rules that the Company:

a) to the extent applicable to it, complies with the requirements of the Code;
b) to the extent applicable to it, adopts equal or better standards of good practice, procedures and information as are detailed in the guidance for each requirement of the Code; and
c) honours any award made against it under any independent dispute resolution scheme.

Where a Company is found to be in breach of the Code, the Underwriter may (without prejudice to any other rights or remedies it may have) terminate the Company’s registration under LABC Warranty.

Copies of the Code and appropriate guidance can be viewed or downloaded from our website, www.labcwarranty.co.uk, or by accessing www.consumercodeforhomebuilders.com.

8. CONDITIONS OF INSURANCE

8.1 ACCEPTANCE OF A NEW DEVELOPMENT

Acceptance of the Company for registration with LABC Warranty does not mean that any insurance will be offered in respect of any New Development. The Scheme Administrator shall advise the Company whether or not the Company may take out any warranty under LABC Warranty in respect of any New Development. The Scheme Administrator reserves the right to consider each New Development on its technical merits. Similarly, any offer of insurance in respect of any New Development does not mean that any insurance will be offered in respect of any subsequent New Development. The Underwriter may in its absolute discretion decide whether to offer or refuse insurance (and to decide the terms of any applicable offer of insurance) in respect of each New Development.

8.2 NEW DEVELOPMENT ACCEPTANCE PROCEDURE

Once the Company has accepted a quotation for insurance for a New Development and has paid the applicable premium, the terms as put forward on the quotation will apply unless:

a) the Surveyor is unable to issue a Certificate of Approval for the New Development or Home(s);
b) where applicable, a Completion Certificate has not been issued by the Local Authority Building Control Inspector;
c) there is any material change in the status of the Company or any information supplied by the Company in support of its application for such insurance;
d) the Scheme Administrator or the Underwriter becomes aware of any information that in their opinion would have influenced their decision to provide a quotation for a New Development; and/or
e) there is a low quality assessment score for other New Development(s) of the Company.
f) the Scheme Administrator is aware of a breach of these Rules.

In any of the above circumstances, the Scheme Administrator or the Underwriter reserves the right to amend or withdraw the terms of its quotation or any offer to provide insurance under LABC Warranty.

8.3 PAYMENT OF PREMIUM AND AUDIT FEE

The Scheme Administrator will send an invoice to the Company in respect of the premium and any other fees specified on the quotation. The Company must send payment to the Scheme Administrator. For the avoidance of doubt, no insurance will be effected unless such payment is made. No payment terms or credit facilities will apply unless otherwise agreed by the Scheme Administrator in writing.
If, where applicable, the fees of the relevant Surveyor are not paid, a Certificate of Approval will not be issued and:

a) cover will not be effected under Sections 3.2, 3.3, 3.4 and 3.5 of a Policy under the New Homes Scheme;
b) cover will not be effected for a proposed Policy under the Social Housing Scheme and Private Rental Scheme.

If the Company does not, within a reasonable time, pay the premium and any other fees specified on the quotation in respect of cover under Section 3.1 of a Policy under the New Homes Scheme or for the Insolvency of the Builder Endorsement under the Social Housing Scheme and Private Rental Scheme, the cover will not be provided.

9. COVER FOR UNSOLD OR UNOCCUPIED HOMES

Should a Home remain unsold or unoccupied after a Certificate of Approval has been issued in respect of it, the following procedures shall apply:

a) if the Home is sold or occupied within 12 months of the date of issue of the Certificate of Approval, the Certificate of Insurance shall be issued and the Policyholder shall receive the full period of cover for each relevant section of the Policy;
b) if the Home is sold or occupied after 12 months or up to 4 years from the date of issue of the Certificate of Approval then the Defects Insurance Period shall commence on the date the Certificate of Insurance is issued and the balance of cover will be as noted on the Certificate of Insurance.
c) if the Home is sold or occupied after a period greater than 4 years from the date of issue of the Certificate of Approval then the Defects Insurance Period shall be reduced to a period of 12 months from the date of the Certificate of Insurance is issued (for New Homes Scheme only) and the balance of cover will be as noted on the Certificate of Insurance.
d) if the Home is rented out by the Company or occupied before it is sold then the period of cover shall commence (or be deemed to have commenced) on the date of issue of the Certificate of Approval and the balance of the cover will be as noted on the Certificate of Insurance.
e) if the Certificate of Approval for a Home has not been issued but the Home is completed and has been occupied for whatever reason and the Certificate of Insurance is requested, should the Certificate of Insurance be issued by the Scheme Administrator the Certificate of Insurance will determine the periods of cover that will apply.

Please note, for the avoidance of doubt, the decision of the Scheme Administrator is final and the Certificate of Insurance in all cases will determine the cover and periods of cover in place for a Home.

10. BONDS

10.1 ACCEPTANCE OF A NEW DEVELOPMENT FOR A BOND

The Scheme Administrator reserves the right to consider each request for a Bond on its merits. Similarly, any offer of a Bond in respect of any New Development does not mean that any Bond will be offered in respect of any subsequent New Development. The Underwriter may in its absolute discretion decide whether to offer or refuse to grant any Bond (and to decide the terms of any applicable Bond) in respect of each New Development.

For the avoidance of doubt, these Rules also apply to any Bond or to any other insurance policy provided in relation to adoptable works.
11. **DISPUTE RESOLUTION IN RELATION TO THE DEFECTS INSURANCE SECTION OF THE POLICY**

11.1 The **Company** shall use its best endeavours to negotiate in good faith and settle amicably any dispute with a **Policyholder** that may arise out of or in relation to Section 3.2 of a **Policy** under the **New Homes Scheme** and Section 3.1 of a **Policy** under the **Social Housing Scheme** and **Private Rental Scheme**.

11.2 If the **Company** fails to remedy any **Defect** and any resultant damage notified to it, or the **Policyholder** is not satisfied with its response then the **Scheme Administrator** may, at its sole discretion, offer the **Dispute Resolution Service**.

11.3 The **Underwriter** shall have no liability under Section 3.2 of a **Policy** under the **New Homes Scheme** or Section 3.1 of a **Policy** under the **Social Housing Scheme** and **Private Rental Scheme** unless (in either case):

a) the **Developer** has not responded to the claim within a reasonable time period (as determined by the **Underwriter**); and / or
b) the **Developer** has withheld consent to resolve the dispute by using the **Dispute Resolution Service**; and / or
c) the **Developer** 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 **Developer** 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 **Developer** has not effected the relevant repairs or works determined by the **Dispute Resolution Service** or Arbitration; and / or
f) the **Developer** has failed to carry out such repair, replacement or rectification work due to its **Insolvency**.

11.4 In the event of a valid claim under Section 3.2 of a **Policy** under the **New Homes Scheme** or Section 3.1 of a **Policy** under the **Social Housing Scheme** and **Private Rental Scheme** (as the case may be), the **Underwriter** may, at its sole option, either pay the cost of repairing, replacing or rectifying any **Defect** and any resultant damage to the **Home** or itself arrange to have such **Defect** and any resultant damage to the **Home** corrected.

12. **MISCELLANEOUS**

12.1 These **Rules** (together with the other documents referred to in these **Rules**, to the extent applicable) contain the entire terms and conditions upon which a **Company** will be, or will remain, registered under **LABC Warranty** and supersede any prior rules or other terms and conditions relating to the subject matter of these **Rules**. The **Company** acknowledges and agrees that it has not relied upon any oral or written representations made to it by the **Underwriter** or the **Scheme Administrator** or their respective employees or agents which are not set out in these **Rules** and that it has made its own independent investigation into all matters relevant to it.

12.2 The **Scheme Administrator** will send all notices to the **Company** at the address on the **Application Form** submitted by the **Company** (or as otherwise notified by the **Company** to the **Scheme Administrator** from time to time). The **Company** must send all notices to the **Scheme Administrator**. Any notice to be served shall be sent by first class post or by facsimile or by electronic mail and shall be deemed to have been received by the **Company** within 72 hours if posted or within 24 hours if sent by facsimile or by electronic mail.
12.3 Without prejudice to the generality of Section 3.3 of these Rules, the Company must immediately inform the Scheme Administrator if it:

a) commits a breach of these Rules;
b) ceases or threatens to cease trade;
c) is unable to promptly discharge its debts in full;
d) is a sole trader and ceases to trade in such capacity;
e) is a partnership and there is a change in its partners or membership;
f) is a company and any of its directors cease to be directors or any new directors are appointed or anyone acquires or sells more than 10% of its issued share capital.

12.4 The Scheme Administrator may immediately terminate the Company’s registration with LABC Warranty on giving written notice to the Company if any of the circumstances referred to in Section 12.3 of these Rules exists or if the Company does anything or any other circumstances exist in relation to the Company which (in the opinion of the Scheme Administrator) may damage the business, interests or reputation of the Scheme Administrator or the Underwriter.

12.5 The Company shall, during and after its period of registration with LABC Warranty, indemnify the Scheme Administrator and the Underwriter on demand and keep the Scheme Administrator and the Underwriter fully indemnified and held harmless from and against all actions, proceedings, claims, demands, losses, costs, expenses (including legal expenses on an indemnity basis), awards, damages and payments incurred or suffered or paid by the Scheme Administrator or the Underwriter as a result of or in connection with:

a) any failure of the Company to comply with (or any delay by the Company in performing) any of its obligations under these Rules or the Policy; and/or
b) any other act or omission (including negligence or breach of any laws) of the Company (or its employees, agents or sub-contractors) in the performance or contemplated performance of these Rules or any matter connected with the Policy.

12.6 The Scheme Administrator shall be entitled to charge fees for administering any claims made under the Defects Insurance Period of a Policy. The Company shall pay such fees on demand at the Scheme Administrator’s standard rates applicable at the relevant time (details of which are available on request). The Company shall not in any circumstances be entitled to any refund or repayment of all or part of such fees.

12.7 The Scheme Administrator may without notice to you combine, consolidate or merge all or any of your liabilities to the Scheme Administrator or the Underwriter and may set off or transfer any sums from time to time owed to you by the Scheme Administrator in or towards the satisfaction of any of those liabilities.

12.8 If the Company fails to pay any amount payable by it under these Rules, the Scheme Administrator may charge the Company interest on the overdue amount from the due date up to the date of actual payment, after as well as before judgment, at the rate of 5% per annum above the base rate for the time being of the Bank of England. Such interest shall accrue on a daily basis and be compounded quarterly and the Company shall pay the interest immediately on demand.

12.9 The Scheme Administrator may at any time replace or modify these Rules after giving reasonable notice to the Company and the Scheme Administrator will notify the Company of the effective date of the replacement or modified Rules. For the avoidance of doubt, the replacement or modified Rules shall have full force and effect (and be binding on the Company accordingly) with effect from and including such effective date.