Welcome to Your LABC New Home Warranty insurance Policy. Although problems with Your Home are unlikely, the LABC New Home 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 New Home Warranty Policy, by reading these Terms and Conditions in conjunction with Your Development Initial Certificate / Home Initial Certificate and / or Your Certificate of Insurance and any endorsements attached to them.

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

The Policy is subject to a number of definitions, conditions, exclusions and Financial Limits: if You have any questions or require further guidance then please contact us on 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 / Home Initial Certificate or Your Certificate of Insurance (as appropriate) to ensure that cover is included. You should also refer to the relevant section to obtain full details of what we will require from You should You make a claim. You can contact our claims team on 0151 650 4318, email claims@labcwarranty.co.uk or You can write to us.

For items that are not covered by the Policy, assistance may be available under the terms of the Consumer Code for Home Builders (CCHB). If the issue is likely to be covered by the CCHB, then we will supply a claim form on request and details of how to begin this process. Full details of the CCHB are available on our website: www.labcwarranty.co.uk.

Gary Devaney
Chairman and CEO
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 New Home Warranty’, in conjunction with LABC.

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

For details of our FCA authorisation, visit www.fca.org.uk.

**TERMS AND CONDITIONS OF INSURANCE**

These Terms and Conditions of Insurance consist of:

1. **INFORMATION** on LABC New Home 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:
   - Section 3.1 – Insolvency of the Developer during the Building Period.
   - Section 3.2 – Defects Insurance Period (Years 1 and 2).
   - Section 3.3 – Structural Insurance Period (Years 3 to 10).
   - Section 3.4 – Contaminated Land.
   - Section 3.5 – Additional Cover for Local Authority Building Control Function.

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. **DISPUTE RESOLUTION SERVICE AND ALTERNATIVE OPTIONS** detailing the process for the Dispute Resolution Service and other dispute resolution options available.

8. **HOW TO MAKE A COMPLAINT** detailing the options You have for making a complaint about the **Policy**.
We can provide Policyholders with protection in a number of ways. It should, however, be noted that all sections of the Policy may not necessarily be applicable for every Home. The Development Initial Certificate / Home Initial Certificate and Certificate of Insurance will detail the exact cover provided.

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

• Insuring any deposit paid or additional costs incurred in the event of Insolvency or Fraud by the Developer during the Building Period. See section 3.1 for details.

• During the first two years from the date of completion of the Home, or the date specified in the Certificate of Insurance, the Developer is responsible forremedying Defects and resultant damage to the Home. Should the Developer unjustifiably refuse to remedy the Defect and resultant damage (including after the use of the Dispute Resolution Service where applicable) and / or fails to do so because of Insolvency, then the Underwriter will meet valid claims under the Policy. See sections 3.2 and 7 for details.

• Insuring the Home for a period of 8 years from expiry of the Defects Insurance Period against:
  - the risk of Major Damage to the Structure of the Home. See section 3.3 for details.
  - a danger to health and safety caused by a Defect in chimneys or flues. See section 3.3 for details.
  - Remediation Expenses incurred in treating or isolating or removing any substance from the Policyholder’s Land in a controlled manner in accordance with the requirements of any Statutory Notice. See section 3.4 for details.
  - The cost of any repair, replacement or rectification as a result of a present or imminent danger to the physical health and safety of the occupants of the Home because the Home does not comply with Building Regulations that applied to the work at the time of construction, conversion, refurbishment or renovation works carried out under the Contract. See section 3.5 for details.

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

**THE QUALITY OF YOUR HOME**

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

• The Developer and the Builder have to comply with Building Regulations and the authorised Local Authority Building Control Body involved inspects their work. These Regulations are statutory requirements and are concerned mainly with health and safety, access for the disabled and conservation of fuel and power issues.

• The Developer has been issued with the LABC Warranty Technical Manual. This sets out the Functional Requirements the Developer and / or the Builder has to comply with when constructing a Home and will be detailed on Your Certificate of Insurance. The latest version of the Technical Manual can be downloaded from the LABC Warranty website – www.labcwarranty.co.uk – although this may not be the version applicable to Your Policy. If You contact us on 0800 183 1755 we will be able to confirm which version of the Technical Manual applies to the Home and provide You with a further copy if required.

• 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 New Home 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 Developer and remedied prior to completing the purchase of the Home.
• The Building Control function will have been undertaken by a Local Authority Building Control Inspector on behalf of the Local Authority and subject to confirmation that:

  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;
  c) subject to satisfaction of all Policy conditions,

then a Cover Note will be issued, if requested, for the Home.

• The 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, if applicable, a Completion Certificate has been issued by the Local Authority Building Control Inspector and subject to satisfaction of all Policy conditions. The Certificate of Insurance should be filed with the Policy.

• Any extensions in cover at the time of issue of the Policy and subsequent alterations will be confirmed by separate endorsements, which should also be filed with the Policy. The Policyholder should refer to these endorsements and the Policy to ascertain the precise cover in force at any time.

• This Policy is transferrable to future owners of the Home.

YOUR 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 Developer or 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

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 New Home 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. If Insolvency of the Developer during the Building Period cover is applicable for the contract period, then 14% of the insurance premium will be retained. 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

1. If a third party has completed the proposal form or paid the premium, You will not be entitled to a refund of premium or any other monies. The premium or any other monies can only be paid back to the party who originally paid the premium or any other monies and who still has an insurable interest in the property.

2. If You have completed a proposal form and paid the premium You may be entitled to refund. This will take into account the period where cover has been in force, plus an administration fee subject to a minimum fee of £100.00.
# 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.

<table>
<thead>
<tr>
<th>Definition</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Builder</strong></td>
<td>Any person, sole trader, partnership, company or other organisation who or which constructs the Home(s) at the New Development.</td>
</tr>
<tr>
<td><strong>Building Control</strong></td>
<td>The function of checking that building work has been carried out in accordance with the Building Regulations (England and Wales) and associated legislation.</td>
</tr>
<tr>
<td><strong>Building Period</strong></td>
<td>The period commencing on the date specified in the Home Initial Certificate issued for the Home by the Scheme Administrator on behalf of the Underwriter and ending upon the date the Certificate of Approval is issued for the Home at the New Development.</td>
</tr>
<tr>
<td><strong>Building Regulations</strong></td>
<td>The Building Regulations are a set of standards for the design and construction of new and altered buildings.</td>
</tr>
<tr>
<td><strong>Certificate of Approval</strong></td>
<td>The certificate issued by the Surveyor to the Scheme Administrator on behalf of the Underwriter on or following satisfactory completion of the Home.</td>
</tr>
<tr>
<td><strong>Certificate of Insurance</strong></td>
<td>The certificate issued by the Scheme Administrator on behalf of the Underwriter to signify acceptance of a Home for insurance under this Policy following issue of the Certificate of Approval by the Surveyor and satisfaction of all Policy conditions.</td>
</tr>
<tr>
<td><strong>Common Parts</strong></td>
<td>Those parts of a multi-occupied 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><strong>Completion Certificate</strong></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><strong>Continuous Structure</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Contract</strong></td>
<td>The contract or agreement between the Developer and the Policyholder in respect of the purchase, construction, conversion, refurbishment and / or renovation of the Home(s) at the New Development.</td>
</tr>
<tr>
<td><strong>Cover Note</strong></td>
<td>A document issued by the Scheme Administrator confirming that a Surveyor has carried out a satisfactory final inspection of the Home and that the Certificate of Insurance will be issued subject to satisfaction of all Policy conditions.</td>
</tr>
<tr>
<td><strong>Defect</strong></td>
<td>A failure to comply with a Functional Requirement of the Technical Manual which is in force at the time the Policy is executed. It is important to note that failure to follow certain performance standards or guidance in the supporting requirements of the Technical Manual may not in itself amount to a Defect, as it may be possible to achieve the recommended performance in other ways. Where a New Development entails the conversion, refurbishment or renovation of an existing building(s), failure to comply with the Functional Requirements of the Technical Manual, in relation to the retained elements of the Home only, will not constitute a Defect, unless Major Damage has occurred.</td>
</tr>
</tbody>
</table>
| **Defects Insurance Period** | For **Common Parts**, the period commencing on the earliest date specified for the commencement of the **Defects Insurance Period** on a **Certificate of Insurance** issued for a **Home** that shares the **Common Parts** and ending either three years from such date, or two years from the latest date specified for the commencement of the **Defects Insurance Period** on a **Certificate of Insurance** for a **Home** sharing the **Common Parts**, whichever is the earlier.

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

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| **Developer** | Any person, sole trader, partnership, company or other organisation who or which is registered with us and has registered the **New Development**, and with whom the **Policyholder** enters into the **Contract**.

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

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| **Dispute Resolution Service** | A consensual process whereby the **Scheme Administrator** may (at its sole discretion) appoint a building surveyor to attempt to resolve a dispute between the **Developer** and **Policyholder**.

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| **Excess** | The amount the **Policyholder** is required to pay in the event of a valid claim under each section of the **Policy**. The **Excess** is index-linked in accordance with the condition of the **Policy** in section 6 entitled ‘Indexation’.

Note that a separate **Excess** shall apply to each separately identifiable cause of loss or damage for which a payment is made under the **Policy** by the **Underwriter**, regardless of whether more than one cause of loss is notified at the same time.

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

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

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

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

a) the **Structure**;

b) all non-load bearing elements, any new electrical fixed wiring and lighting system, heating system, air conditioning, smoke alarms, waste-disposal units or water-softening equipment newly installed at the date of issue of the **Certificate of Approval** and for which the **Policyholder** is responsible;

c) any **Common Parts**, or any retaining or boundary walls forming part of or providing support to the **Structure**;

d) any path or driveway within the curtilage of such property giving access to the principal entrance;

e) the drainage system that the **Policyholder** is responsible for maintaining; and

f) any garage or other permanent outbuilding.

Note that **Home** does not include any swimming pool, lift, escalator, or associated plant and equipment and / or mechanical or electrical equipment, temporary structure, free-standing household appliance, fence, or retaining or boundary wall not forming part of or providing support to the **Structure**. **Home** does not include garage or permanent outbuilding not included within the scope of the works undertaken by the **Developer**, which did not form part of the original planning application for the **Home**, was not constructed at the same time as the **Home** and did not meet **Building Regulation** standards. For the avoidance of doubt, personal chattels do not fall within the definition of **Home**.

**Home Initial Certificate**

The certificate issued by the **Scheme Administrator** on behalf of the **Underwriter** signifying its agreement to:

a) the provision of the insurance cover for section 3.1 (if applicable) for the **Home** during the **Building Period**; and / or

b) the provision of the insurance cover under the other sections (3.2, 3.3, 3.4 and / or 3.5, as applicable), subject to (and commencing upon) the issuance of the **Certificate of Insurance** for the **Home**.

**Insolvency**

The occurrence of any of the following events:

a) an order is made, or a resolution is passed, for the winding-up, administration or bankruptcy of the **Developer** (except for the purposes of solvent amalgamation or reconstruction previously approved by the **Underwriter** in writing); or

b) a liquidator, trustee, administrator, administrative receiver, receiver, manager, trustee in bankruptcy or similar official is appointed over the whole or any part of the assets of the **Developer**, or the **Developer**, or the directors of the **Developer**, request any person to appoint any of the same; or

c) a notice of intention to appoint an administrator, or a notice of appointment under Schedule B1 to the Insolvency Act 1986, is issued by the **Developer** or its directors.

**LABC New Home Warranty**

The insurance cover provided by the **Underwriter** in accordance with, and subject to, the provisions of this **Policy**.

**Land**

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

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

b) owned by the initial **Policyholder** when a **Contract** was entered into.

**Limit of Indemnity**

The maximum liability of the **Underwriter** during the **Defects Insurance Period** and / or the **Structural Insurance Period**, being the amount shown as the **Original Purchase Price** on the **Certificate of Insurance** or the **Financial Limit** in the relevant section, whichever is the lesser. The **Limit of Indemnity** is index-linked in accordance with the condition of the **Policy** in section 6 entitled ‘**Indexation**’.
Major Damage

Either:

a) Destruction of or physical damage to any portion of the Home for which a Certificate of Insurance has been issued, caused by a Defect in the design, workmanship, materials or components of:

i. the Structure; or
ii. the waterproofing elements of the External Envelope;

and which is first discovered during the Structural Insurance Period.

Or:

b) A condition requiring immediate remedial action to prevent actual destruction of, or major physical damage to, any portion of the Home for which a Certificate of Insurance has been issued, caused by a Defect in the design, workmanship, materials or components of:

i. the Structure; or
ii. the waterproofing elements of the External Envelope;

and which is first discovered during the Structural Insurance Period.

Where the New Development contains the conversion, refurbishment or renovation of an existing building(s) then the period during which Major Damage can be discovered is extended to the Defects Insurance Period.

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

Management Company

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

New Development

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

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

Original Purchase Price

The sum specified as such within the Certificate of Insurance.

Policy

These Terms and Conditions of Insurance, the Development Initial Certificate, the Home Initial Certificate, the Certificate of Insurance and the Technical Manual.

Policyholder / You / Your

For section 3.1: the person who has paid a deposit for the Home to the Developer and who has received a Home Initial Certificate showing that cover under section 3.1 is applicable.

For sections 3.2, 3.3, 3.4 and 3.5: the owner acquiring a freehold or leasehold interest, or their successors in title, or any mortgagee in possession or lessor and for whom a Certificate of Insurance has been issued for the Home showing that the relevant cover under those sections is applicable.

Policyholder / You / Your excludes the Developer (or their mortgagee in possession), or the Builder, or any of their respective relatives or associated companies or anyone having an interest in the construction or sale of the Home, unless otherwise confirmed in writing by the Scheme Administrator.
<table>
<thead>
<tr>
<th><strong>Remediation Expenses</strong></th>
<th>Reasonable expenses incurred for the investigation, isolation, removal or treatment of contamination to the extent required by any Statutory Notice.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rules of Registration</strong></td>
<td>The conditions which the Developer and Builder (where applicable) must comply with in order to be able to insure a New Development with us.</td>
</tr>
<tr>
<td><strong>Scheme Administrator</strong></td>
<td>MD Insurance Services Limited, 2 Shore Lines Building, Shore Road, Birkenhead, Wirral, CH41 1AU (acting as agent on behalf of the Underwriter). The terms 'we', 'us' or 'our' denote MD Insurance Services Limited.</td>
</tr>
<tr>
<td><strong>Statutory Notice</strong></td>
<td>A notice served on the Policyholder by a Statutory Authority, under the provisions of legislation that requires the Policyholder to carry out remediation of contamination.</td>
</tr>
<tr>
<td><strong>Structural Insurance Period</strong></td>
<td>For Common Parts, the period commencing on the earliest date specified on a Certificate of Insurance issued for a Home that shares the Common Parts and ending either nine years from such date, or eight years from the latest date specified on a Certificate of Insurance for a Home sharing the Common Parts, whichever is the earlier. For all other purposes, the period commencing on the date specified in the Certificate of Insurance and ending eight years after such date. The Structural Insurance Period may differ to the period shown above; if this is the case it will be detailed in the Certificate of Insurance. It is important that the Certificate of Insurance is read in conjunction with the Policy.</td>
</tr>
</tbody>
</table>
| **Structure** | Is comprised of the following elements of a Home:  
  a) foundations;  
  b) ceilings, load-bearing parts of floors, staircases and associated guard rails, walls and roofs, together with load-bearing retaining walls necessary for stability;  
  c) non-load bearing partition walls;  
  d) chimneys and flues;  
  e) roof covering;  
  f) any external finishing surface (including rendering) necessary for the water-tightness of the External Envelope;  
  g) internal floor decking and screeds, where these fail to support normal loads;  
  h) wet applied plaster;  
  i) double or triple glazed panes to external windows and doors; and  
  j) the underground drainage that the Policyholder is responsible for maintaining. |
| **Surveyor** | The party appointed by the Scheme Administrator and the Underwriter who carries out checks and inspections solely on behalf of the Underwriter and who, prior to the issue of the Certificate of Insurance for the Home, issues a Certificate of Approval. |
| **Technical Manual** | The Functional Requirements and performance standards issued to the Developer by the Scheme Administrator at the time that the Policy is executed (or, in the case of the Performance Standards contained therein, any amendments which have been notified to the Developer by the Scheme Administrator, as set out in the Rules of Registration). The latest version of the Technical Manual can be downloaded from the LABC Warranty website – www.labcwarranty.co.uk – although this may not be the version applicable to Your Policy. If You contact us on 0800 183 1755 we will be able to confirm which version of the Technical Manual applies to the Home and provide You with a further copy if required. |
| **Underwriter** | As detailed on the Development Initial Certificate, the Home Initial Certificate, and the Certificate of Insurance. |
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

3.1 INSOLVENCY OF DEVELOPER DURING THE BUILDING PERIOD

3.1.1. Following the payment of a deposit by the Policyholder to the Developer:

a) if, due to Insolvency or Fraud, the Developer does not commence work on a Home, the Underwriter will refund the deposit paid by the Policyholder;

b) if, due to Insolvency or Fraud, the Developer fails to complete the Home after work has commenced, the Underwriter will (at its sole option):

pay the additional cost required to complete the Home; or refund the deposit paid by the Policyholder to the Developer in respect of the Home, subject always to the Financial Limit below.

3.1.2. FINANCIAL LIMITS FOR SECTION 3.1

The maximum the Underwriter will pay for any claim under this section is the lesser of:

a) the monies paid to the Developer by the Policyholder; or

b) 10% of the Original Purchase Price for the Home; or

3.1.3. SPECIAL CONDITIONS APPLICABLE TO SECTION 3.1

1. Cover is only applicable where a Home Initial Certificate has been issued and cover under section 3.1 is shown as applicable.

2. This section of cover ends upon completion of the Building Period.

3. If the Policyholder withholds, retains or receives back any part of the deposit for the Home, the Underwriter will be entitled to deduct such amount from monies that it would otherwise be obliged to pay under this section.

4. The Underwriter is only liable under this section in respect of the original deposit price, as noted in the Contract (and not in respect of any extras agreed subsequently).

5. The Policyholder cannot recover under this section if and to the extent that he / she is entitled to make a claim under contract against the Developer in respect of liquidated damages or financial penalties of any kind.

6. This section covers only the deposit paid by the Policyholder in respect of the Home to the Developer named in the Home Initial Certificate (and not any reservation fee, or other fee, paid or agreed to be paid to the Developer by the Policyholder).

7. For the purpose of this section only, the term ‘Developer’ excludes the Builder (unless the Developer and the Builder are one and the same legal entity for the New Development) and any sub-contractor or sub-consultant employed at the New Development.
3.1.4. CLAIMS PROCEDURE FOR SECTION 3.1

1. Before making a claim under the Policy, please check Your Home Initial Certificate to ensure that cover under this section is included.

2. Should the Developer fail to complete or commence works on the Home because of Insolvency or Fraud, the Policyholder must immediately notify the Scheme Administrator on 0151 650 4318, and request a claim form.

3. The Policyholder must submit the claim form within a reasonable period of time and also:

   a) supply the Scheme Administrator with the evidence You have that the Developer has entered Insolvency, or has committed an act of Fraud and as a result has not started or cannot complete Your Home; and
   
   b) subsequently provide the Scheme Administrator with all information and documentation it may request in relation to investigating the claim.

3.2. DEFECTS INSURANCE

3.2.1 The Underwriter will indemnify the Policyholder during the Defects Insurance Period against the cost of repairing, replacing or rectifying any Defect and resultant damage to the Home for which the Developer is responsible and which:

   a) is discovered and notified in writing to the Developer during the Defects Insurance Period, and
   
   b) is notified in writing to the Scheme Administrator no later than 6 months after the expiry of the Defects Insurance Period.

3.2.2 The Underwriter shall have no liability under this section unless:

   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.

3.2.3. In the event of a valid claim being made under this section, the Underwriter will either (at its option) arrange to have such Defect and resultant damage to the Home corrected or pay the cost of repairing, replacing or rectifying any Defect and resultant damage to the Home.
3.2.4. FINANCIAL LIMITS FOR SECTION 3.2 (DEFECTS INSURANCE)

1. The maximum the Underwriter will pay for all claims relating to a Home under this section is in the case of each Policy:
   
a) £1,000,000 for any newly constructed Home; or
b) £500,000 for any converted or refurbished Home; or

   c) (in either case) the Original Purchase Price for the Home, whichever is the lesser.

2. The cumulative maximum which the Underwriter will pay under all sections (3.2 - 3.5 inclusive) for claims made by all Policyholders (of whatever type of policy issued by the Underwriter) relating to any property within the same Continuous Structure is:
   
a) £25,000,000 for all claims relating to all newly constructed Continuous Structures; or
b) £5,000,000 for all claims relating to all converted or refurbished Continuous Structures.

3. For the avoidance of doubt, the Financial Limits under this section 3.2 shall be applicable notwithstanding the fact that property within the same Continuous Structure may be employed for different uses (commercial, domestic or social for example) and have different owners. Once the cumulative maximum liability for the claims made in respect of any or all property located within the same Continuous Structure is reached, the Underwriter shall not be liable for any further claims in respect of any property located elsewhere within that same Continuous Structure, whomsoever made by.

4. The maximum the Underwriter will pay for any claim relating to Common Parts will be the proportion of the loss represented by the number of individual Certificates of Insurance issued to the Policyholders that share those Common Parts. The Underwriter is not responsible for the proportion of any loss where individual Homes have not received a Certificate of Insurance.

5. Unless stated otherwise in the Certificate of Insurance, the Financial Limits above are index-linked in accordance with the condition of the Policy in section 6 entitled ‘Indexation’.

6. Claims under this section are subject to the Excess as detailed in the Certificate of Insurance.

7. Please note in the event that You are not the first owner of the Home, the Financial Limits may have already be utilised by a previous owner and You will only be entitled to the remainder.

3.2.5. SPECIAL CONDITIONS APPLICABLE TO SECTION 3.2 (DEFECTS INSURANCE)

1. If the Policyholder receives back, either in part or whole, any payments in respect of a claim under this section which has already been paid by the Underwriter, then the Policyholder shall reimburse the Underwriter in full for the amount of such payment.
3.2.6. EXCLUSIONS TO SECTION 3.2 (DEFECTS INSURANCE)

1. The **Underwriter** is only liable under this section in respect of the **Contract** for the **Home** and not in respect of any extras agreed subsequently.

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

   a) external landscaping or garden features;
   b) adjustment of doors following the fitting of carpets or flooring;
   c) drawing of chimneys;
   d) contractual disputes between the **Developer** and the **Policyholder** (including issues regarding specification of items);
   e) dampness, condensation or shrinkage not caused by a **Defect**;
   f) chips or scratches to fittings in any room not caused by a **Defect**;
   g) minor blemishes that are subjective in degree (including brush marks, decoration and other cosmetic issues);
   h) items that have been subsequently changed or altered on behalf of the **Policyholder** at their request (such as fitting of wardrobes and other fittings);
   i) deterioration caused by neglect or failure to carry out normal maintenance;
   j) **Defects** within existing: handrails or balustrades, paths, drives, garden areas or paved areas sold as part of the **Contract** for the sale of the **Home**;
   k) any **Defect** or other issue about which the **Policyholder** was aware (or could reasonably have been expected to be aware of) prior to purchasing the **Home**;
   l) ceilings that are not in an enclosed part of the **Home** (such as balcony ceilings);
   m) water entry, dampness or condensation to the enclosing walls, floors and ceilings of any underground: car-parking and any associated underground refuse stores, cycle stores, plant rooms (that do not house items of plant that directly service the **Home** and for which the failure of such plant would prevent the normal use of the **Home**), lifts/escalators, associated access stairs and lobbies; where the structural integrity of the **Home** is not affected;
   n) replacement of any solar roof tiles or panels solely due to failure to generate heat or electricity or any failure to generate anticipated amounts of heat or electricity;
   o) costs, losses, expenses or damage to any areas of decorative flooring (including laminates, carpets, tiles and parquet) installed after the issue of the **Certificate of Approval**.
3.2.7. CLAIMS PROCEDURE FOR SECTION 3.2 (DEFECTS INSURANCE)

1. The Developer is responsible for rectifying any Defect and resultant damage which occurs within the Defects Insurance Period.

2. If You consider that there is a Defect which requires the attention of the Developer, You should notify the Developer in writing as soon as possible to allow them to arrange for any Defect and resultant damage (subject to Policy exclusions) to be corrected. Correspondence with the Developer should be recorded as evidence and made available, if required, to the Scheme Administrator.

3. If the Developer is unable or unwilling to rectify the Defect 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 (including photographs and reports if appropriate) to the Scheme Administrator to show that the Developer has been approached to rectify the Defect and resultant damage; and
   c) if there is any Insolvency affecting the Developer, 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. At this point, the Scheme Administrator may offer the Dispute Resolution Service if at its sole discretion it considers this appropriate. Details of the Dispute Resolution Service and other options available to settle a dispute are available in section 7.

3.3. STRUCTURAL INSURANCE

3.3.1. The Underwriter will indemnify the Policyholder against all claims discovered and notified to the Scheme Administrator during the Structural Insurance Period in respect of:
   a) the cost of complete or partial rebuilding or rectifying work to the Home which has been affected by Major Damage, provided always that the liability of the Underwriter does not exceed the reasonable cost of rebuilding the Home to its original specification;
   b) the cost of repairing or making good any Defects in the chimneys and flues of the Home which was newly constructed by the Developer and which causes an imminent danger to the health and safety of occupants.

3.3.2. In the event of a valid claim being made under this section, the Underwriter will either (at its sole discretion) arrange to have such damage corrected or pay the cost of repairing, replacing or rectifying any damage resulting from items (a) and (b) above.
3.3.3. FINANCIAL LIMITS FOR SECTION 3.3 (STRUCTURAL INSURANCE)

1. The maximum the **Underwriter** will pay for all claims relating to a **Home** under this section is in the case of each Policy:
   
   a) £1,000,000 for any newly constructed **Home**; or
   b) £500,000 for any converted or refurbished **Home**; or
   c) (in either case) the **Original Purchase Price** for the **Home**, whichever is the lesser.

2. The cumulative maximum which the **Underwriter** will pay under all sections (3.2 - 3.5 inclusive) for claims made by all **Policyholders** (of whatever type of policy issued by the **Underwriter**) relating to any property within the same **Continuous Structure** is:
   
   a) £25,000,000 for all claims relating to all newly constructed **Continuous Structures**; or
   b) £5,000,000 for all claims relating to all converted or refurbished **Continuous Structures**.

3. For the avoidance of doubt, the **Financial Limits** under this section 3.3 shall be applicable notwithstanding the fact that property within the same **Continuous Structure** may be employed for different uses (commercial, domestic or social for example) and have different owners. Once the cumulative maximum liability for the claims made in respect of any or all property located within the same **Continuous Structure** is reached, the **Underwriter** shall not be liable for any further claims in respect of any property located elsewhere within that same **Continuous Structure**, whomsoever made by.

4. The maximum the **Underwriter** will pay for any claim relating to **Common Parts** will be the proportion of the loss represented by the number of individual **Certificates of Insurance** issued to the **Policyholders** that share those **Common Parts**. The **Underwriter** is not responsible for the proportion of any loss where individual **Homes** have not received a **Certificate of Insurance**.

5. Unless stated otherwise in the **Certificate of Insurance**, the **Financial Limits** above are index-linked in accordance with the condition of the **Policy** in section 6 entitled ‘Indexation’.

6. Claims under this section are subject to the **Excess** as detailed in the **Certificate of Insurance**.

7. Please note in the event that **You** are not the first owner of the **Home**, the **Financial Limits** may have already be utilised by a previous owner and **You** will only be entitled to the remainder.

3.3.4. EXCLUSIONS TO SECTION 3.3 (STRUCTURAL INSURANCE)

1. The **Underwriter** is only liable under this section in respect of the **Contract** for the **Home** and not in respect of any extras agreed subsequently.

2. The **Underwriter** shall not be liable to the **Policyholder** for any:
   
   a) ceilings that are not in an enclosed part of the **Home** (such as balcony ceilings);
   b) water entry, dampness or condensation to the enclosing walls, floors and ceilings of any underground: car-parking and any associated underground refuse stores, cycle stores, plant rooms (that do not house items of plant that directly service the **Home** and for which the failure of such plant would prevent the normal use of the **Home**), lifts / escalators, associated access stairs and lobbies; where the structural integrity of the **Home** is not affected;
   c) dampness, condensation or shrinkage to garages or outbuildings that form part of the **Home**, where the relevant **Building Regulations** do not require the building to resist moisture;
   d) 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;
   e) sound transmission;
   f) cracking, spalling or mortar erosion, which does not impair the structural stability or weather tightness the **Home**;
   g) damage to the roof covering (including any underlays, fixings, mortar and weatherproofing details) unless damage results in the entry of water into the **Home**.
3.3.5. CLAIMS PROCEDURE FOR SECTION 3.3 (STRUCTURAL INSURANCE)

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.

2. 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 Major Damage; 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.

3.4. CONTAMINATED LAND

3.4.1. The Underwriter will indemnify the Policyholder against all claims discovered and notified to the Scheme Administrator during the Structural Insurance Period in respect of Remediation Expenses incurred in treating or isolating or removing any substance from the Land in a controlled manner in accordance with the requirements of any Statutory Notice.

3.4.2. The Underwriter shall only be liable for any claims under this section that are first discovered and reported by the Policyholder to the Scheme Administrator during the period specified in the Certificate of Insurance.

3.4.3. In the event of a valid claim being made under this section, the Underwriter will either (at its sole option) pay the Remediation Expenses, or itself have any work necessary for remediation of contamination of Land carried out at its own expense.

3.4.4. FINANCIAL LIMITS FOR SECTION 3.4 (CONTAMINATED LAND)

The maximum the Underwriter will pay for all claims relating to a Home under this section is in the case of each Policy:

   a) £1,000,000 for any newly constructed Home; or
   b) £500,000 for any converted or refurbished Home; or
   c) (in either case) the Original Purchase Price for the Home, whichever is the lesser.

The cumulative maximum the Underwriter will pay for all claims made under all sections (3.2 - 3.5 inclusive) of cover added together for policies applying to a New Development on a single piece of Land is:

   a) £25,000,000 for all claims relating to all newly constructed Homes; or
   b) £5,000,000 for all claims relating to all converted or refurbished Homes.

3. Once the cumulative maximum liability for the claims made in respect of any or all property located on a single piece of Land is reached, the Underwriter shall not be liable for any further claims in respect of any property located elsewhere on that single piece of Land, whomsoever made by.

4. For the avoidance of doubt, the Financial Limits under this section shall be applicable notwithstanding the fact that property within the same Continuous Structure may be employed for different uses (commercial, domestic or social for example) and have different owners. Once the cumulative maximum liability for the claims made in respect of any or all property located within the same Continuous Structure is reached, the Underwriter shall not be liable for any further claims in respect of any property located within that same Continuous Structure, whomsoever made by.

5. The maximum the Underwriter will pay for any claim relating to Common Parts will be the proportion of the loss represented by the number of individual Certificates of Insurance issued to the Policyholders 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.

6. Unless stated otherwise in the Certificate of Insurance, the Financial Limits above are index-linked in accordance with the condition of the Policy in section 6 entitled ‘Indexation’.
3.4.5. EXCLUSIONS TO SECTION 3.4 (CONTAMINATED LAND)

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

3.4.6. CLAIMS PROCEDURE FOR SECTION 3.4 (CONTAMINATED LAND)

1. Before making a claim under the Policy, please check Your Certificate of Insurance to ensure that cover under this section is included.

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

3. When notifying the Scheme Administrator of a claim, the Policyholder must also:
   a) take all reasonable and responsible steps to prevent further loss or damage; and
   b) allow access to the Home and / or Land during normal working hours; and
   c) obtain permission to access neighbouring land and obtain any other permission needed to allow investigations and work; and
   d) provide the Scheme Administrator with all information and documentation it may request in relation to investigating the claim.

3.5. ADDITIONAL COVER FOR LOCAL AUTHORITY BUILDING CONTROL FUNCTION

3.5.1. The Underwriter will indemnify the Policyholder against all claims discovered and notified to the Scheme Administrator during the Structural Insurance Period against the cost of repairing, replacing or rectifying the Home where such repair, replacement or rectification cost is the result of a present or imminent danger to the physical health and safety of the occupants of the Home because the Home does not comply with Building Regulations which were applied to the construction, conversion or refurbishment in relation to the following:

Part A - Structure; and / or
Part B - Fire Safety; and / or
Part C - Site preparation and resistance to contaminants and moisture; and / or
Part J - Combustion appliances and Fuel Storage systems; and / or
Part K - Protection from falling, collision and impact; and / or
Part N - Glazing – safety in relation to impact, opening and cleaning.

3.5.2 For claims that were referred to the Developer in the Defects Insurance Period as specified in the Certificate of Insurance, please see section 3.2.
3.5.3 FINANCIAL LIMITS FOR SECTION 3.5 (ADDITIONAL COVER FOR LOCAL AUTHORITY BUILDING CONTROL FUNCTION)

1. The maximum the **Underwriter** will pay for all claims relating to a **Home** under this section is in the case of each **Policy**:
   a) £1,000,000 for any newly constructed **Home**; or
   b) £500,000 for any converted or refurbished **Home**; or
   c) (in either case) the **Original Purchase Price** for the **Home**, whichever is the lesser.

2. The cumulative maximum which the **Underwriter** will pay under all sections (3.2 - 3.5 inclusive) for claims made by all **Policyholders** (of whatever type of policy issued by the **Underwriter**) relating to any property within the same **Continuous Structure** is:
   a) £25,000,000 for all claims relating to all newly constructed **Continuous Structures**; or
   b) £5,000,000 for all claims relating to all converted or refurbished **Continuous Structures**.

3. For the avoidance of doubt, the **Financial Limits** under this section 3.5 shall be applicable notwithstanding the fact that any or all property within the same **Continuous Structure** may be employed for different uses (commercial, domestic or social for example) and have different owners. Once the cumulative maximum liability for the claims made in respect of any or all property located within the same **Continuous Structure** is reached, the **Underwriter** shall not be liable for any further claims in respect of any property located elsewhere within that same **Continuous Structure**, whomsoever made by.

4. The maximum the **Underwriter** will pay for any claim relating to **Common Parts** will be the proportion of the loss represented by the number of individual **Certificates of Insurance** issued to the **Policyholders** that share those **Common Parts**. The **Underwriter** is not responsible for the proportion of any loss were individual **Homes** have not received a **Certificate of Insurance**.

5. Unless stated otherwise in the **Certificate of Insurance**, the **Financial Limits** above are index-linked in accordance with the condition of the **Policy** in section 6 entitled ‘Indexation’.

6. Claims under this section are subject to the **Excess** as detailed in the **Certificate of Insurance**.

7. Please note in the event that **You** are not the first owner of the **Home**, the **Financial Limits** may have already been utilised by a previous owner and **You** will only be entitled to the remainder.

3.5.4. EXCLUSIONS TO SECTION 3.5 (ADDITIONAL COVER FOR LOCAL AUTHORITY BUILDING CONTROL FUNCTION)

1. Anything which **You** properly notified to the **Developer** under the **Defects Insurance Period** or for which **You** made a valid claim for under another section of the **Policy**.

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

CLAIMS PROCEDURE FOR SECTION 3.5 (ADDITIONAL COVER FOR LOCAL AUTHORITY BUILDING CONTROL FUNCTION)

1. Before making a claim under the **Policy**, please check **Your Certificate of Insurance** to ensure that cover under this section is included.

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

   When notifying the **Scheme Administrator** of a claim, the **Policyholder** must also:
   a) take all responsible steps to prevent further loss or damage; and
   b) allow access to the **Home** during normal working hours; and
   c) obtain permission to access neighbouring land and obtain any other permission needed to allow investigations and work; and
   d) provide the **Scheme Administrator** with a copy of the **Completion Certificate** issued by the **Local Authority Building Control Inspector** and all information and documentation it may request in relation to investigating the claim.

   In addition to any applicable cover under section 3, in the event of a valid claim under sections 3.2, 3.3, 3.4 or 3.5, the **Underwriter** will pay within the **Limit of Indemnity**.
4. ADDITIONAL COVER

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)**

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

4. **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.

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

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

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 a **Home** that is not the direct result of a **Defect**.
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

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 sections 3.1, 3.2, 3.3, 3.4 or 3.5 (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.

For the avoidance of doubt where cover has been provided under section 3.1, any cancellation in the circumstances set out in i) or ii) above will only apply to sections 3.2 – 3.5 of the Policy (as applicable).

4. CHANGES TO YOUR POLICY

You must take reasonable care to provide complete and accurate answers to the questions We or the Underwriter ask when You make changes to Your Policy. If any information You provide is not complete and accurate the Underwriter may:

a) cancel Your Policy and refuse to pay any claim; or
b) not pay any claim in full; or
c) charge an additional premium; or
d) change the Excess and/or the extent of cover.

5. 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.
6. **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.

7. **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 sections 3.2, 3.3, 3.4 and 3.5. 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.

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. **NOTIFICATION OF CLAIMS**

It is important to note that it is a condition to the payment of any claim(s) under section 3.2 that concerns have been notified to the **Developer** in writing before the expiry of the **Defects Insurance Period** and if the **Developer** does not rectify then the **Defects** and resultant damage must be notified to the **Scheme Administrator** in writing within 6 months of the expiry of the **Defects Insurance Period**. The **Underwriter** will have no liability for any matter which is not notified within these time frames.

10. **RECOVERIES FROM THE DEVELOPER**

The **Underwriter** will not take proceedings against the **Developer** for claims which occur following the expiry of the notification period of the **Defects Insurance Period**, unless:

a) the claims relate to remedial works undertaken by the **Developer** as part of a previous claim under the **Defects Insurance Period**, that have subsequently failed; and / or

b) the **Developer** made a change in the design or the materials used during construction of the **Home** without notifying the **Surveyor**;

c) the **Developer** breached their duty to make a fair presentation of the risk to the **Scheme Administrator** before the issue of the **Certificate of Approval**.

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**.
12. REINSTATEMENT OF LIMIT OF INDEMNITY

Where any successful claim has been made under any of sections 3.2, 3.3, 3.4 and 3.5 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 a claim under section 3.1; or

c) 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 in respect of any of sections 3.2, 3.3, 3.4 and 3.5 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 Developer, 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.
7. DISPUTE RESOLUTION SERVICE AND ALTERNATIVE OPTIONS

A. THE DISPUTE RESOLUTION SERVICE

1. If the Developer fails to remedy any Defect and resultant damage notified to him or the Policyholder is not satisfied with his response then the Scheme Administrator may, at its sole discretion, offer the Dispute Resolution Service as detailed below.

2. Following notification in writing by the Policyholder to the Scheme Administrator, the Scheme Administrator will investigate each dispute referred to the Dispute Resolution Service. Using the Dispute Resolution Service does not affect a Policyholder's legal rights or remedies against the Developer in any way. The Policyholder should, however, seek independent legal advice before using the Dispute Resolution Service.

3. The Dispute Resolution Service will attempt to bring the two parties together, investigate the dispute and make recommendations.

4. The possible outcomes of the investigation are that:
   a) both the Policyholder and the Developer accept the report's findings and if any works are necessary the Developer carries them out within an agreed period of time; or
   b) both the Policyholder and the Developer accept the report's findings but the Developer fails to carry out any necessary works within an agreed period of time. In such circumstances, the Policyholder should advise the Scheme Administrator which will attempt to ensure that the works are carried out accordingly; or
   c) both the Policyholder and the Developer accept the report's findings however the Policyholder refuses access to the Home for whatever reason. If this is the case, the Dispute Resolution Service has failed. Please refer to Condition 16, Underwriter's Rights, for further details; or
   d) one or both parties do not accept the report's findings. If this is the case, the Policyholder shall be entitled to refer the matter to an alternative dispute resolution forum.

5. The Dispute Resolution Service will not be suitable for all disputes. The Scheme Administrator will advise upon technical issues and in particular whether the Developer has complied with the Functional Requirements of the Technical Manual. The Scheme Administrator will not advise on financial disputes, contractual issues or items that do not involve a breach of the Functional Requirements of the Technical Manual.

6. The Excess for the Defects Insurance Period shall be as specified in the Certificate of Insurance. If the value of the dispute is for an amount less than the Excess then the Dispute Resolution Service is not appropriate.

7. For items that are not covered by the Policy, assistance may be available under the terms of the Consumer Code for Home Builders (CCHB). Full details of the CCHB are available on our website www.labcwarranty.co.uk and a claim form is available on request.

8. Neither the Scheme Administrator nor the Underwriter shall have any liability to the Policyholder for any damages, loss, costs or expenses arising out of any negligent act, omission or default of the Scheme Administrator in performing its duties under the Dispute Resolution Service.
B. OPTIONS TO RESOLVE A DISPUTE OTHER THAN BY USING THE DISPUTE RESOLUTION SERVICE

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

INDEPENDENT EXPERT OR ARBITRATION

10. In the event of a dispute You may apply to the Chartered Institute of Arbitrators for the appointment of an Arbitrator.

11. If You wish to apply for an Arbitrator to be appointed, You must first notify us and we will supply You with a form to complete which should be sent to the Chartered Institute of Arbitrators by You with a copy sent to us.

12. We will then be entitled to proceed on the basis that no dispute has arisen.

13. The costs of using an Arbitrator will be borne by the parties to the dispute.

14. ADDITIONAL FORMS OF ALTERNATIVE DISPUTE RESOLUTION

As well as referring a dispute to an Arbitrator, there are now several additional forms of Alternative Dispute Resolution. Information can be obtained from the Citizens Advice Bureau, County Court, Sheriffs Clerks Office or a solicitor.

15. LITIGATION

The Small Claims Court may be suitable for resolving contractual or financial disputes, as well as small disputes regarding standards of workmanship. Depending on the size of the dispute, other courts may be suitable for resolving claims involving financial and contractual disputes and larger claims regarding standards of workmanship.

16. DISCLAIMER

We do not recommend any form of dispute resolution process and the Policyholder should take legal advice as to the most appropriate forum for each particular dispute and the manner in which that dispute should be progressed.
8. HOW TO MAKE A COMPLAINT

1. We have the authority to administer complaints on behalf of the Underwriter. 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
   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

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

6. FINANCIAL SERVICES COMPENSATION SCHEME

   Policies issued by 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