

Structural Warranty Policy

Housing



Build-Zone Warranty Policy

1. Introduction

This **Policy** sets out the Insurance cover provided for the **Policyholder's Housing Unit**.

In consideration of the payment of the premium **Underwriters** agree to provide insurance to the **Policyholder** in the manner described in the **Policy**. This Insurance cover is subject to a number of definitions, conditions, exclusions and financial limits as detailed in the **Policy**. The insurance cover provided in the policy complies with:

The Warranty Link Rule designation criteria as stated in Annex E of Circular CI 46/2/46 September 2005 issued by the Office of the Deputy Prime Minister.

The complete **Build-Zone Warranty Policy** consists of;

- An **Initial Certificate**
- The **Policy** booklet
- The **Certificate of Insurance**

NOTE: For this Policy to be binding:-

After a satisfactory **Final Inspection** has been carried out by the **Site Audit Surveyor** and reported to the Scheme Administrator a **Certificate of Insurance** will be issued, if requested, confirming the cover in operation under the Policy. The **Certificate of Insurance** should be kept with the Policy.

The **Policy** consists of the following sections:

1. **Introduction**
2. **Promise of Service and Complaints** detailing what you can expect from us and complaints procedure
3. **Definitions** detailing all definitions applicable to the Policy
4. **Cover** detailing the precise details of cover.
5. **Additional Cover during years 3 – 10** detailing cover applicable where an Approved Inspector carried out Building Control.
6. **Additional Extensions** detailing extensions of cover under policy sections 4 and 5
7. **Exclusions** detailing exclusions that apply to the whole Policy
8. **Conditions**
9. **Claims Procedures** detailing the notification procedures that should be followed when notifying a claim under the policy together with information regarding the **Dispute Resolution Service**.

May we please ask you to examine the **Policy** and **Certificates** to make sure that you have the cover that you require. If you need clarification or need to make any amendments, please call the **Scheme Administrators**. Immediate notice should be given to the **Scheme Administrators** of any changes which may affect the insurance provided by this Policy.

Law applicable to the Contract

The parties to a contract covering a risk in the United Kingdom are allowed to choose the law applicable to the **Contract**. In the absence of any written agreement to the contrary, the law applicable to this **Contract** will be that of the country where **Policyholder** is usually resident, otherwise English law will apply

Several Liability Notice

The subscribing **Underwriters'** obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing **Underwriters** are not responsible for the subscription of any co-subscribing **Underwriters** who for any reason does not satisfy all or part of its obligations



Paul Kempton
Director

By authority of the Underwriters

2. Promise of Service and Complaints

Our promise to you

- We will acknowledge complaints promptly
- We will investigate quickly and thoroughly
- We will keep you informed of progress
- We will do everything to resolve your complaint fairly
- We will learn from our mistakes and use your feedback to continually improve our service

What to do if you have a complaint

You have a number of options for making complaints about your Build-Zone Structural Warranty Policy. Before making a complaint, please consider which of the options below is most suitable.

Please provide your policy reference number in all cases.

1) If the advice on the purchase of this policy was provided directly by Build-Zone, please contact us on 01732 742 102 or write to us at the address below, quoting your policy number or claim reference, if appropriate.

The Managing Director
Sennocke International Insurance Services Limited
6 Pembroke Road
Sevenoaks
Kent
TN13 1XR
customerservices@Build-Zone.com

Build-Zone is a trading style of Sennocke International Insurance Services Limited, registered at the same address, and which is Authorised and Regulated by the Financial Conduct Authority

If it is still not possible to reach an agreement then you may refer the matter to the following organisations:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR
Telephone Number: +44 20 7964 0500
Email: complaint.info@financial-ombudsman.org.uk

2) If your complaint is against a **Site Audit Surveyor**, whose role is to carry out inspections to satisfy the **Insurer** that the **Premises** represents a normal risk, then you should contact them directly.

Details of the **Site Audit Surveyor** and their complaints procedure will be provided by the **Scheme Administrator** on request.

Your Rights

Your rights as a customer to take legal action remain unaffected by the existence or use of any complaint procedures referred to above. However the Financial Ombudsman Service will not adjudicate on any cases where litigation has commenced.

AmTrust International Underwriters DAC is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme, if they cannot meet their obligations. This depends on the type of business and the circumstances of the claim. Most insurance contracts are covered for 90% of the claim without any upper limit. Compulsory classes of Insurance, Professional Indemnity Insurance and claims arising from the death or incapacity of the policyholder due to injury, sickness, or infirmity are covered for 100% of the claim. You can get more information about compensation scheme arrangements from the FSCS. The FSCS can be contacted at:

10th Floor
Beaufort House, 15 St Botolph Street
London EC3A 7QU
Telephone: 0800 678 1100 or 020 7741 4100
Email: enquiries@fscs.org.uk

3. Definitions

(Applicable to the whole Policy wherever these words appear in bold letters)

Approved Inspector

Individual and Corporate Approved Inspectors registered with CIC are qualified to undertake Building Control work in accordance with section 49 of the Building Act 1984 and regulation 4 of the Building (Approved Inspectors etc.) Regulations 1985, and the Building (Approved Inspectors etc.) Regulations 2000.

Basement

A basement is defined as a storey which is partially or wholly below that of the external ground level either designed for and used as a **Habitable Area** within the **Housing Unit**, or designed as a non-**Habitable Area** to include but not limited to plant rooms, car-parking or other storage areas.

Bullder

The person or persons, sole trader or entity, partnership or company who constructs the **Housing Unit** at the **New Development** whether under a contract or otherwise.

Build-Zone Warranty

The Policy specifying the insurance cover provided by the **Underwriters**.

Certificate of Approval

The Certificate issued by the Build-Zone appointed **Site Audit Surveyor** to the **Scheme Administrator** on or following satisfactory completion/s or inspection/s of each **Housing Unit**.

Certificate of Insurance

The Certificate issued by the **Scheme Administrator** signifies acceptance of the **Housing Unit** for insurance hereunder following issue of the **Certificate of Approval** by the **Site Audit Surveyor**.

Common Parts

Those parts of a multi-ownership building (of which the **Housing Unit** is part), for a common or general use, for which the **Policyholder** has joint ownership responsibility or access.

Defect

A failure to comply with:-

The current Building Regulations in England and Wales;

The current Building Standards (Scotland) and the Technical Standards in Scotland;

The current Building Regulations (Northern Ireland) and the Technical Booklets in Northern Ireland (where applicable) in respect to the construction of the **Housing Unit**

Failure to follow the standards within the Building Regulations and Building Standards, or associated guidance does not in itself amount to a **Defect**, as it may be possible to meet the recommended performance in other ways.

For any **Housing Unit** under this policy relating to the conversion, refurbishment or renovation of a **New Development** the definition of **Defect** shall only be deemed to include any of the works constructed or installed by the **Bullder** as Part of the conversion, refurbishment or renovation.

Defects Insurance Period

The period commencing on the date specified in the Certificate of Insurance and ending 2 years thereafter.

Developer

The person or persons, sole trader or entity, partnership or company who registers the **New Development** with the **Build-Zone Warranty** and from whom the **Policyholder** acquires the **Housing Unit** or who undertakes the work of building The **Housing Unit** for the **Policyholder** by way of a Contract.

Dispute Resolution Service

A resolution process whereby a building surveyor appointed by the **Scheme Administrator** attempts to resolve a dispute between the **Developer** and **Policyholder**.

Excess

As noted on the **Certificates of Insurance**, the amount relating to each and every loss in respect of the **Housing Unit** below which the **Underwriters** have no liability under this policy. A separate **Excess** shall apply to each and every separately identifiable cause of loss or damage for which a payment is made under the policy by the **Underwriters**, regardless of whether more than one cause of loss is notified at the same time.

3. Definitions continued

Final Certificate

The Certificate issued by the **Scheme Administrator** following issue of a **Certificate of Approval** by the **Site Audit Surveyor** signifying acceptance of each **Housing Unit** for insurance hereunder.

Habitable Area

The area which is used for residing or sleeping purposes within the **Housing Unit** detailed in the plans, drawings or specification on which planning permission was granted by the Local Authority before the effective date of the **Initial Certificate**.

Housing Unit

The property described in the Certificate of Insurance comprising:

- The **Structure**;
- All non-load bearing elements and fixtures and fitting for which the **Policyholder** is responsible;
- Any **Common Parts** retaining or boundary walls forming part of or providing support to the **Structure**;
- Any path or roadway specifically providing access for the disabled and for which the policyholder is responsible;
- The below-ground drainage system within the perimeter of such property, serving the **Housing Unit** and for which the **Policyholder** is responsible;
- Any garage or other permanent out-building.

Housing Unit does not include any swimming pool, temporary structure, free-standing household appliance, fence, retaining or boundary wall not forming part of or providing support to the **Structure**, any path or roadway not providing access for the disabled.

Initial Certificate

The Certificate issued by the **Underwriters** signifying their agreement to the provision of the insurance cover set out in this **Policy** subject to receipt of a **Certificate of Approval** for the **Housing Unit**.

Major Damage

Any **Defect** in the design, workmanship, materials or components of the;

Structure ;

Or

Waterproofing component of the **Waterproof Envelope**;

Or

The below-ground drainage system within the perimeter of such property, serving the **Housing Unit** and for which the **Policyholder** is responsible;

Affecting or causing destruction of or physical damage to the **Housing Unit** for which a **Certificate of Approval** has been issued by the **Site Audit Surveyor** and which is first discovered during the **Period of Insurance**.

and/or

Causing a condition requiring immediate remedial action to prevent actual destruction or physical damage to the **Housing Unit** for which a **Certificate of Approval** has been issued by the **Site Audit Surveyor** and which is first discovered during the **Period of Insurance**.

For the purpose of this Policy the definition of Major Damage is deemed to include any physical loss, destruction or damage caused by contamination or pollution as a direct consequence of a **Defect** in the design, workmanship materials of the **Structure** of the **Housing Unit**.

New Development

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

For the purpose of this definition, **New Development** is not deemed to include any other building works other than the **Housing Unit(s)** detailed in the **Initial Certificate**.

Period Of Insurance

The period specified in the **Certificate of Insurance** for the **Housing Unit**

3. Definitions continued

Policyholder

The owner of the property which is the subject of this insurance acquiring a freehold or leasehold interest in the **Housing Unit** or their successor in title, or any Mortgagee or Lessor whose interest is noted on the **Certificate of Insurance**.

Policyholders Land

The area of ground that surrounds and supports the Housing Unit and which was purchased by the **Policyholder** with the Housing Unit at the same time as the Building Contract was entered into or completed or that was owned by the **Policyholder** when a building contract was entered into.

The definition of **Policyholders Land** also includes any land at the **New Development** that the **Policyholder** has a specific legal responsibility for as noted in the initial Building Contract.

Remediation Expenses

Reasonable expenses incurred for the investigation, removal or treatment of contamination to the extent required by any **Statutory Notice**.

Scheme Administrator

Sennocke International Insurance Service Limited trading As Build-Zone
6 Pembroke Road
Sevenoaks
Kent
TN13 1XR

Statutory Notice

A notice served on the **Policyholder** by a Statutory Authority under the provisions of legislation that requires the **Policyholder** to carry out remediation of contamination

Site Audit Surveyor

The Surveyor(s) appointed by the Scheme Administrator to carry out the required checks and inspections solely on behalf of the **Underwriters**.

Structure

The following elements comprising the **Structure** of the **Housing Unit**:

- Foundations;
- Load-bearing parts of floors, staircases and associated guard rails, walls and roofs, together with load-bearing retaining walls necessary for stability;
- Roof covering
- Any external finishing surface (including rendering) necessary for the water-tightness of the **Waterproof Envelope**;
- Floor decking and screeds, where these fail to support normal loads;
- Wet applied plaster
- Multiple glazed panels to external windows and doors.

For the purpose of this Definition Structure shall only be deemed to include any of the above items constructed by the **Builder** as part of any new conversion works

Structural Insurance Period

The period specified in the **Certificate of Insurance** for each **Housing Unit**

Underwriter

Sections 4.1, 4.2, 4.3, 5.1 & 5.2: AmTrust International Underwriters DAC

Waterproof Envelope

Waterproof Envelope shall mean the **Habitable Area** of **Basement** level(s) ground floors, external walls, roofs, skylights, windows, doors, of a **Housing Unit**.

4 Cover

4.1 Cover prior to Completion

If due to insolvency or fraud the **Developer** does not start the **Housing Unit**, the **Underwriter** will refund the **Policyholder** the amount of deposit paid by the **Policyholder**.

If due to insolvency or fraud, the **Developer** commences but does not complete the **Housing Unit**, **Underwriter** will at their sole discretion:

- I) Pay the additional costs to complete the **Housing Unit**
or
- II) Refund the loss of deposit paid by the **Policyholder** to the **Developer** for the construction of the **Housing Unit**

Provided always that **Underwriters** are only liable under this section in respect of monies paid by the **Policyholder** to the **Developer** subject to a maximum of 10% of the original contract price for the **Housing Unit**.

Special Conditions applicable to Section 4.1

Should the **Policyholder** withhold, retain or receive back any part of the deposit for the **Housing Unit** the **Underwriter** will be entitled to deduct such amount from monies they would otherwise be obliged to pay under this Section.

The **Underwriter** is only liable under this Section in respect of the original contract price, as declared, and not in respect of any extras agreed subsequent to the contract.

The **Policyholder** cannot recover under this Section if they are entitled to make a claim under contract against the **Developer** in respect of liquidated damages or financial penalties of any kind.

For the purpose of this Section only the Definition of **Developer** shall only include the **Builder** if the **Developer** and **Builder** are one and the same legal entity for the **New Development**. For any avoidance of doubt the definition of **Developer** does not include any sub-contractor or sub-consultant employed at the **New Development**.

4.2 The first 2 years after completion (Defects Insurance Period)

If during the first 2 years after completion the **Policyholder** notifies the **Developer** of any **Defect**, the **Developer** is required to

- i) Effect a repair, replacement or rectification of such **Defect** as soon as is practicable thereafter;
- ii) Reimburse the **Policyholder** for all necessary and reasonable costs including lifting and refitting carpets, storage and alternative accommodation should the nature of any repair, replacement or rectification be such that the **Policyholder** and/or the occupants have to vacate the **Housing Unit** whilst such repair replacement or rectification is carried out.
- iii) Once notified of **Defects** during the **Defects Insurance Period** the **Developer** remains liable as above after the **Defects Insurance Period** ends, unless specifically agreed in writing by the **Underwriters**.

The **Underwriters** will indemnify the **Policyholder** during the **Defects Insurance Period** against the cost of repairing, replacing or rectifying any **Defect** in the **Housing Unit** for which the **Developer** is responsible and which is discovered and notified to the **Developer** during the **Defects Insurance Period** and which is notified to the **Underwriters** within 6 months of the expiry of the **Defects Insurance Period**.

The Underwriters will not be liable unless:

- i) the **Developer** has refused to respond to the **Policyholder's Defect** notification within a reasonable time period and/or;
the **Developer** has withheld consent to resolve the dispute by using the **Reconciliation Service** and/or;
the **Developer** has accepted the decision of the nominated Surveyor after using the **Reconciliation Service** but has failed to carry out the works or repairs stated in the Surveyor's report within the time frame stipulated.

And/or

- ii) the **Developer** has not effected the repairs or works determined by a binding legal process;

And/or

- iii) the **Developer** has failed to effect such repair, replacement or rectification work due to its insolvency.

In the event of a claim under this section, the **Underwriters** have the option of either paying the cost of the repair, replacement or rectification works or arranging to have the repair, replacement or rectification works carried out.

Special Conditions applicable to Section 4.2

Should the **Policyholder** receive any payment either in part or whole from the **Developer** in respect of a **Defect** that was subject to a claim settlement by **Underwriters** then the **Policyholder** shall reimburse the **Underwriter** in full for the amount of such payment.

Exclusions applicable to Section 4.2

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

- i) Deterioration caused by neglect or failure to carry out normal or specific maintenance;
- ii) Dampness, condensation or shrinkage not caused by a **Defect**;
- iii) **Defect** to the central heating system(s) and associated pipework, fitted appliances or plumbing works;
- iv) Items that have been subsequently altered on behalf of the **Policyholder** at their request, written or otherwise.
- v) Chips, scratches, brush marks, and other associated minor blemishes to fittings and/or decoration.
- vi) Contractual disputes between the **Developer** and the **Policyholder** or issues regarding specification of items;
- vii) Drawing performance of Chimneys;
- viii) Adjustment of doors following the fitting of carpets and or floor coverings and/or flooring;
- ix) External landscaping or garden features and decks unless they form an intrinsic part of the external Envelope.

4.3 Cover Applicable in years 3 – 10 (Structural Insurance Period)

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

1. The cost of complete or partial rebuilding or rectifying work to the **Housing Unit** which has been affected by **Major Damage** provided always that the liability of the **Underwriter** does not exceed the reasonable cost of rebuilding each **Housing Unit** to its original specification.
2. The cost of repairing or making good any **Defects** in the chimneys and flues of the **Housing Unit** causing an imminent danger to health and safety of occupants.

The Excess shall be as specified in the **Initial Certificate**

In the event of a claim under this section, the **Underwriter** has the option of either paying the cost of the repair, replacement or rectification works or arranging to have the repair, replacement or rectification works carried out.

5 Additional Cover during years 3 -10 (Where an Approved Inspector carried out Building Control)

This section of the cover applies if a Build-Zone Appointed Approved Inspector carries out Building Control in England and Wales. Your Insurance Certificate will clearly show this.

5.1 Contaminated Land Remediation Expenses

The **Underwriter** will indemnify the **Policyholder** against all claims first discovered and notified to the **Underwriter** during the **Structural Insurance Period** in respect of **Remediation Expenses** incurred in compliance with a **Statutory Notice** requiring the remediation of contamination in the **Policyholders Land**.

The **Underwriter** shall only be liable for claims under this Section first discovered and reported by the **Policyholder** to the **Underwriters** during the **Structural Insurance Period** shown on the **Insurance Certificate**.

In the event of a claim under this section, the **Underwriter** will have the option either to pay the **Remediation Expenses** or itself have any work necessary for the remediation of contamination of **Policyholders Land** carried out at its own expense.

Exclusions Applicable to 5.1

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

Breach of Covenant designed which the **Initial Policyholder** entered into (for example, not to do anything which would adversely affect or interfere with a contamination control or precautionary measure, such as a membrane, installed by the **Bullder**)

Death, bodily injury, sickness, disease or psychiatric damage or shock suffered by any persons

Damage and or expenses to any property and or any costs associated with the remediation of land which is not owned by the **Policyholder**.

Any diminution of value whether perceived or actual due to the existence or former existence of contamination

Contamination which first occurs after the Sale Completion date of the **Housing Unit** by the **Developer** to the initial **Policyholder**

Any damages payable to third parties, compensation or criminal expenses arising out of or in connection with contamination in, or under the **Policyholders Land**

Consequential Loss howsoever arising except as expressly provided for in this policy.

5.2 Physical Health and Safety of Occupants

The **Underwriter** will indemnify the **Policyholder** during the **Structural Insurance Period** against the cost of necessary repairs where there is a present or imminent danger to the physical health and safety of the occupants of the **Housing Unit** because the **Housing Unit** does not comply with the Building Regulations that applied to the work at the time of construction or conversion in relation to the following:-

- Structure
- Fire Safety
- Site preparation and Resistance to Contaminants and Moisture
- Sanitation, Hot Water Safety and Water Efficiency
- Drainage and Waste Disposal
- Combustion Appliance and Fuel Storage Systems
- Protection from Falling, Collision and Impact
- Glazing – Safety in Relation to Impact Opening and Cleaning

Exclusions applicable to section 5.2

Anything which the **Underwriter** would pay for under another section of this policy

Any claim in respect of site preparation and resistance to contaminants and moisture, relating to ground that is outside the foundations of the **Housing unit**.

For claims that were referred to the **Developer** during the first 2 years please see Section 5.1

6 Additional Extensions

In addition to Policy Sections 4 and 5, in the event of a claim under this Policy, the **Underwriter** will, with their written consent, pay within the Limit of Indemnity:

Additional Costs

Such additional costs and expenses as are necessarily incurred solely in order to comply with Building Regulations or Local Authority or other Statutory Provisions, provided that the **Underwriter** shall not be liable for costs that would have been incurred irrespective of the discovery of a claim

Alternative Accommodation Costs

All reasonable additional costs and expenses for a period not exceeding 26 weeks in respect of removal, storage and alternative accommodation whilst the **Housing Unit** is uninhabitable.

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 **Housing Unit** but shall not include costs or fees incurred by the **Policyholder** in preparing a claim.

Removal of Debris

For each **Housing Unit** the costs and expenses incurred by the **Policyholder** with the **Underwriter** written consent in respect of:

- (a) removal of debris
- (b) dismantling or demolishing
- (c) shoring up

the **Housing Unit**

7 Exclusions

(Applicable to all Sections)

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

Alterations and or Extension

Loss or damage due to arising from any alterations, extension, modification or addition to the **Housing Unit** after the issue of the **Certificate of Insurance** unless the **Scheme Administrator** has been informed, the **Certificate of Insurance** endorsed, and any applicable additional premium paid to the **Underwriters**.

Change in Colour

Any change in colour, texture, opacity or staining or other ageing process.

Consequential Loss

Consequential loss of any description except as specifically provided for in this Policy.

Defects in Existing Works

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

Glazed Panels

Loss or damage to existing multi glazing panels in any **Housing Unit** that has been converted, refurbished or renovated unless such multi glazed panels were newly installed at the time of such conversion, refurbishment or renovation.

Humidity

Loss or damage caused by or in consequent upon humidity in a **Housing Unit** that is not a direct result of the ingress of water caused by a **Defect** in the design, workmanship, materials and components of the waterproofing elements of the **Waterproof Envelope** of the **Housing Unit**.

Legal Liabilities

Cover for any legal liabilities that the **Policyholder** may have to third parties arising out of the use or ownership of the **Housing Unit**

Maintenance and Use

Inadequate maintenance of and/or abnormal use of the **Housing Unit** or the imposition of any load greater than that for which the **Housing Unit** was designed or the use of the **Housing Unit** for any purpose other than that for which it was designed unless the **Underwriter** has been informed, the **Certificate of Insurance** endorsed and any applicable additional premium paid to the **Underwriter**.

Personal Injury

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

Prior Knowledge

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

Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons

In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:

1. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
3. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
4. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;
5. any chemical, biological, bio-chemical, or electromagnetic weapon.

Reasonableness

In the event of a valid claim under the **Policy**, the **Underwriter** shall only be responsible for costs and expenses that a reasonable person would incur if spending their own money. Whenever possible if items can be found to match existing items at reasonable cost the **Underwriter** will endeavor to facilitate this. However the **Underwriters** will have no liability and will not be responsible for any additional costs if a similar match is not possible at a reasonable cost.

Seepage

Loss or damage caused by;

- (a) the ingress of water to those parts of the **Structure** outside of the **Waterproof Envelope**.
- (b) water entry, dampness or condensation to non-habitable basement areas where the structure is not affected.

Settlement, Drying Out and Shrinkage

Loss or damage caused by or consequent upon normal settlement, bedding down, shrinkage or drying out of the **Housing Unit**.

Sonic Bangs

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

Special Perils

Loss or damage caused by or consequent upon fire, lightening, explosion, typhoon, hurricane, cyclone, volcanic eruption, earthquake, storm, tempest, flood, subterranean fire or other convulsion of nature, aircraft or other aerial devices or articles there from, escapes of water from tanks, apparatus or pipes, malicious persons, theft, attempted theft or impact.

Subsidence & Coastal Erosion

Loss or damage caused by or consequent upon subsidence, heave, landslip or coastal erosion unless such loss or damage is as a result of a **Defect** in the design, workmanship, materials or components of the **Structure** of the **Housing Unit**.

Toxic Mould

Loss or damage or bodily injury arising out of any **Pathogenic Organisms** regardless of any other cause or event that contributed concurrently or in any sequence to that liability.

Undamaged Parts

This policy does not cover the cost of replacing or changing undamaged items or parts of items forming part of the **Housing Unit** which belong to a set or suite, or which have a common design or use, when the loss or damage relates to a specific part or part of an item or to a clearly defined area.

Unfinished Works

Loss of or damage due to or arising from any unfinished building works to a **Housing Unit** which are completed after the issue of a **Certificate of Insurance**

Unseasoned Oak

This policy is not designed to and will not cover the movement and characteristic changes associated with the use of unseasoned oak within the **Housing Unit**. Any loss or damage caused by or attributable to the movement, settlement, shrinkage, expansion, shaking, cracking, splitting or twisting associated with the use of unseasoned oak in the **Housing Unit** is specifically excluded unless it can be proven that such loss or damage is the result of the unseasoned oak structural element having failed to support the loadings it was initially designed to achieve.

Vermín

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

War Risks

This policy does not cover loss or damage directly or indirectly caused by, happening through or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or unsupervised power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government, or public or local authority.

Water Table

Loss or damage resulting solely from a change in the water table level.

Wear and Tear

- a) wear and tear;
- b) normal dampness, condensation mould or shrinkage;
- c) minor cracking and crazing;
- d) wilful neglect or criminal act of the **Policyholder**;
- e) normal deterioration whether caused by neglect or otherwise;
- f) Scratching, chipping, staining, fading, efflorescence, changes in colour, opacity or texture, squeaking or creaking

Wilful Acts

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

8 Conditions

1. Arbitration

Any dispute or difference arising out of or in connection with the amount to be paid under sections 4.1, 4.2, 4.3 or 5.1, 5.2 of this Policy (liability being otherwise admitted) shall be determined by the appointment of a single arbitrator to be agreed between the parties, or failing agreement within fourteen days, after either party has given to the other a written request to concur in the appointment of an arbitrator, by an arbitrator to be appointed by the President or a Vice President of the Chartered Institute of Arbitrators.

2. Automatic Reinstatement of Limit of Liability

In consideration of the Limit of Indemnity not being reduced by the amount of any loss, the **Policyholder** agrees to pay (if required by the **Underwriter**);

- i) the pro-rata additional premium on the amount of such loss from the date of notification of claim to the date of expiry of the insurance as applicable for Sections 4.1, 4.2, 4.3 or 5.1, 5.2.
- ii) Any **Site Audit Survey Fee** for checking of the design and inspection of any work relating to the repair or rebuilding of any **Housing Unit** which has been the subject of a claim under this policy. No reinstatement shall occur unless a **Certificate of Approval** in respect of such repair or rebuilding work has been issued by the appointed **Site Audit Surveyor**.

3. Biological or Chemical Materials Exclusions

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

4. Cancellation

Right to cancel

You have the right to cancel this policy within 14 days of receiving your Build-Zone Warranty Policy documents. If you wish to do so, you must advise the **Scheme Administrator** in writing, returning all Certificates and Policy documentation. A return of the Premium will be made, however the Scheme Administrator reserves the right to charge an Administration Fee.

If your **Housing Unit** includes **Common Parts** for which you are jointly responsible with owners of other **Housing Units** any Cancellation instruction will be deemed to include the **Policyholder's** proportion of those **Common Parts**.

NOTE: Please check with your mortgage lender prior to cancelling cover as the Warranty may form a condition of the loan. Please also note that if you sell the property, most prospective lenders will require a Warranty or its equivalent in place.

5. Contract (Rights of Third Parties) Act 1999 Clarification Clause

A person who is not party to this contract has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this contract but this does not affect any right or remedy of a third party which exists or is available apart from that act.

6. Contribution

If at the time of any occurrence or claim there is or but for the existence of this **Policy** would be any other **Policy** of indemnity or insurance in favour of or effected by or on behalf of the **Policyholder** applicable to such occurrence or claim the **Underwriters** shall not be liable under this Policy to indemnify the **Policyholder** in respect of which occurrence or claim except so far as concerns any excess beyond the amount which would be payable under such other indemnity or insurance had this **Policy** not been effected.

7. Financial Limits

The maximum the **Underwriters** will pay for any claim under this policy is:

Section 4.1 Cover during the Construction Period

A Maximum of £100,000 or 10% of the Original Purchase price for the Housing Unit whichever is lessor.

Section 4.2 Defects Insurance

Section 4.3 Structural Insurance

Unless confirmed in writing, **Underwriters** maximum liability under Sections 4.2 and 4.3 shall not exceed the lesser amount of either;

£1,000,000 for any one Housing Unit

£500,000 for any one converted or refurbished **Housing Unit**

Or the Sum Insured for the Housing Unit, which ever is the lesser.

Underwriters total aggregate liability in one continuous structure shall not exceed the lesser amount of either;

£10,000,000 for all claims relating to newly constructed **Housing Units**

Or

£5,000,000 for all claims relating to newly converted or refurbished **Housing Units**

Section 5.1 Contaminated Land

The maximum the **Underwriter** will pay for claims relating to the Housing Unit under section 5.1 of the Policy is £500,000 or the Sum Insured for the Housing Unit whichever is the lesser.

The Financial Limit under Section 5.1 for any one Development is £20,000,000

Section 5.2 Physical Health and Safety of Occupants

The maximum the **Underwriter** will pay for claims relating to the **Housing Unit** under section 5.2 of the Policy is the original cost of work covered by the Build-Zone appointed **Approved Inspector's** Building Control **Final Certificate**

Common Parts

The maximum the **Underwriter** will pay for any claim relating to **Common Parts** will be the amount that the **Policyholder** has a legal liability to contribute towards the cost of repairs, rectification or rebuilding works. Claims are subject to **Financial Limits** and **Excess shown on the Initial and Certificate of Insurance**.

8. Fraud

In any claim under this Policy shall be in any respect fraudulent, or if any fraudulent means or devices are used by the **Policyholder**, or anyone acting on its behalf, to obtain benefit under this insurance, all benefit hereunder shall be forfeited.

9. Indexation

In respect of Sections 4.2, 4.3, 5.1 and 5.2 of the policy, the **Financial Limits** and **Excess** referred to within the **Initial and Certificate of Insurance** will be separately increased in line with the RICS Building Index or 10% per annum compound, whichever is the lesser, on each anniversary of the commencement of the **Structural Insurance Period**. For the purpose of settlement of any claim hereunder the **Limit of Liability**, as adjusted in accordance with the foregoing provisions shall be regarded as the **Limit of Indemnity** at the time of discovery by the **Policyholder** of such claim.

10. Misrepresentation

This Policy will be voidable in the event of misrepresentation, misdescription, error, omission or non-disclosure by the **Policyholder** with intention to defraud.

11. Recoveries from Third Parties

The **Underwriter** is entitled to control and settle any claim and to take proceedings at its own expense but in the name of the **Policyholder** to secure compensation from any third party in respect of any loss or damage covered by this Policy.

12. Underwriters Rights

In the event of any occurrence which may give rise to a claim under this Policy, the **Underwriter** and or their agents shall, with the permission of the **Policyholder**, be entitled to enter the Housing Unit in order to carry out rectification works or the complete or partial rebuilding of the property. If such permission is unreasonably withheld the **Policyholder** shall be responsible for any additional costs caused by the delay in carrying out such works.

9 Claims Procedures

Please check your Insurance Certificate to identify the sections of Cover that are specifically operative prior to deciding which type of notification to make.

9.1 Notifying a claim prior to Completion - Policy Section: 4.1

Should the **Developer** fail to complete the Housing Unit because of insolvency or fraud the **Policyholder** should immediately notify the **Scheme Administrator** at the address set out below

Build-Zone Claims
6 Pembroke Road
Sevenoaks
Kent
TN13 1XR

Telephone: 0345 230 9873
Email: claims@build-zone.com

9.2 Notifying a Claim after Completion – Policy Section 4.2: The first 2 years after completion (Defects Insurance Period)

In the event of the discovery of any occurrence, which could give rise to a claim, the **Policyholder** should immediately notify The **Developer** if it falls within the first 2 years following completion (**Defects Insurance Period**)

The **Policyholder** should carefully consider the nature of the claim and whether the circumstances actually fall within the definition of **Defect**. If the **Policyholder** is unsure of the nature of the occurrence or **Defect** they should contact the **Scheme Administrator**.

Diminution of Loss or Damage

The **Policyholder** shall carry out and permit any action to be taken which may be reasonably practicable to diminish and/or prevent any further loss or damage.

Submission

In all cases submit in writing full details of the claim and supply all correspondence, reports, plans, certificates, specifications, quantities, calculations, information and assistance as may be required. The **Policyholder** should keep a record of correspondence made and received with all parties.

Developer's Responsibilities during the Defects Insurance Period

The **Developer** is responsible for **Defects** that arise during the **Defects Insurance Period**. The **Policyholder** should make notification to the **Developer** in writing as soon as possible after discovery of the problem.

Note: The **Policyholder** must make any notification regarding a **Defect** or occurrence to the **Developer** prior to the expiry of the **Defects Insurance Period**. If after notification the **Developer** fails to respond, the **Policyholder** should notify the **Scheme Administrator** within 6 months of the expiry of the **Defects Insurance Period**. Failure to make notification within the time frames may invalidate your cover.

Dispute Resolution Service

Should the **Developer** not remedy a **Defect** correctly or fail to respond to the **Policyholders** written notification satisfactorily, Build-Zone will usually provide a **Dispute Resolution Service**.

The **Dispute Resolution Service** is designed to assist where there is a dispute between the **Policyholder** and the **Developer** in relation to the **Developer's** responsibilities during the **Defects Insurance Period**. It is not designed to assist in all situations or where the **Policyholder** is in dispute over other matters like financial or contractual issues, boundary disputes etc., or if you have started arbitration or legal proceedings against the **Developer** or some other party in connection with your home.

Following written notification by the **Policyholder** to the **Scheme Administrator** the **Scheme Administrator** will arrange for a building surveyor to investigate the dispute that has been referred to the **Dispute Resolution Service**. Using the **Dispute Resolution Service** does not affect a **Policyholders** legal right of remedy against the **Developer** in any way and the **Policyholder** should seek independent legal advice prior to contacting the **Dispute Resolution Service** as to the most appropriate forum for each particular dispute and the manner in which that dispute should be progressed.

The **Dispute Resolution Service** is designed to resolve matters by instigating an independent investigation by a fully qualified and experienced building surveyor with a view to identifying whether or not the **Developer** has complied with the functional requirements of the Building Regulations. The building surveyor will issue a resolution report clearly identifying their findings.

Neither the **Scheme Administrator** nor the **Underwriter** shall have any liability to the **Policyholder** for any damages, loss, costs or expenses arising out of neglect act or omission or default of the surveyor in performing his duties under the **Dispute Resolution Service**.

The resolution report will be issued to all parties and the available courses of action thereafter are as follows:-

- 1) If both the **Policyholder** and **Developer** are in agreement with the **resolution report's** findings the **Developer** must carry out any test, investigations or work identified in the report at its own expense within the agreed period of time identified in the report.
- 2) If both the **Policyholder** and the **Developer** accept the reports findings but the **Developer** fails to carry out any necessary test, investigations or work within the agreed period of time identified in the report, then the **Policyholder** must advise the **Scheme Administrator** who will endeavour to rectify the situation and ensure the works are carried out.
- 3) Should one or both parties disagree with the resolution report's findings, either party is entitled to refer the matter to an alternative resolution forum.

Alternative Resolution forum options:

Arbitration

Arbitration can often provide a simpler lower cost alternative to court proceedings in higher-value or more complex disputes where the small claims procedure would not be appropriate. The costs for using such service will be borne by the parties to the dispute and not the **Underwriter**. Usually when using arbitration, you will be at risk of being ordered to pay many of the other party's legal costs if you lose, although you may be able to recover many of your own legal costs in the event you win.

Build-Zone has nominated IDRS Limited as its provider of arbitration services, which is a wholly owned subsidiary of the Chartered Institute of Arbitrators. For claims where the monetary value in dispute is fairly small IRDS offer a Cost - Controlled Arbitration procedure whereby the arbitrator's fees are capped. Further information regarding IRDS and the services provided are available at the IRDS website www.idrs.ltd.uk or by writing to IDRS Limited, 24 Angel Gate, City Road, London EC1V 2PT.

Court Proceedings

The courts service provides a special procedure for handling smaller claims or disputes in a county court where the dispute falls below a specified level. Normally when using the procedure each party bears their own costs.

For more complex disputes or where the financial amounts are higher you can still go to court but not via the small claims process.

Going to court should always be the last resort and there are now a number of ways of sorting out complaints, disputes and legal problems without court action, including arbitration and mediation. These are often called alternative dispute resolution schemes (ADR) schemes. Court rules normally require you to think about whether alternative dispute resolution is a better way to reach an agreement before going to court.

Alternative Forms of Dispute Resolution

There is a wide range of dispute resolution now available and more information can be obtained from the Citizens Advice Bureau, County Court, Sheriffs Clerks Office or a Solicitor.

9.3 Notifying a Claim after Completion – Policy Section: 4.3 Cover Applicable in years 3 – 10 (Structural Insurance Period)

In the event of the discovery of any occurrence which could give rise to a claim, the **Policyholder** should immediately notify the **Scheme Administrator** if it falls in years 3 to 10 (**Structural Insurance Period**)

The **Policyholder** should carefully consider the nature of the claim and whether the circumstances actually fall within the definition of **Major Damage**. If the **Policyholder** is unsure of the nature of the occurrence they should contact the **Scheme Administrator**.

Diminution of Loss or Damage

The **Policyholder** shall carry out and permit any action to be taken which may be reasonably practicable to diminish and/or prevent any further loss or damage.

Submission

In all cases submit in writing full details of the claim and supply all correspondence, reports, plans, certificates, specifications, quantities, calculations, information and assistance as may be required. The **Policyholder** should keep a record of correspondence made and received with all parties.

9.4 Notifying a Claim after Completion – Policy Section: 5.1 Contaminated Land Remediation Expenses

In the event of the discovery of any occurrence or on receiving a statutory notice, or an indication that such notice is likely to be served which could give rise to a claim under this section of the policy, the **Policyholder** should immediately notify the **Scheme Administrator**

Diminution of Loss or Damage

The **Policyholder** shall carry out and permit any action to be taken which may be reasonably practicable to diminish and/or prevent any further loss or damage.

Submission

In all cases submit in writing full details of the claim and supply all correspondence, reports, plans, certificates, specifications, quantities, calculations, information and assistance as may be required. The **Policyholder** should keep a record of correspondence made and received with all parties.

9.4 Notifying a Claim after Completion – Policy Section: 5.2 Physical Health and Safety of Occupants

In the event of the discovery of any occurrence which could give rise to a claim, the **Policyholder** should immediately notify the **Scheme Administrator** if it falls in years 3 to 10 (**Structural Insurance Period**)

The **Policyholder** should carefully consider the nature of the claim and whether the circumstances actually fall within the definition of **Major Damage**. If the **Policyholder** is unsure of the nature of the occurrence they should contact the **Scheme Administrator**.

Diminution of Loss or Damage

The **Policyholder** shall carry out and permit any action to be taken which may be reasonably practicable to diminish and/or prevent any further loss or damage.

Submission

In all cases submit in writing full details of the claim and supply all correspondence, reports, plans, certificates, specifications, quantities, calculations, information and assistance as may be required. The **Policyholder** should keep a record of correspondence made and received with all parties.



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