

Policy Document

Completed Housing | Version 2



1. INFORMATION

The **Policyholder** is requested to read the Policy and Certificates. These are important documents. If any information is not clear please contact the **Scheme Administrator**.

This Policy consists of:

- **INFORMATION** on the **Premier Guarantee for Completed Housing**;
- **DEFINITIONS** detailing all Definitions applicable to the Policy;
- **INSURING AGREEMENT** giving precise details of the cover, subject to variation by Endorsement;
- **ADDITIONAL EXTENSIONS** detailing automatic extensions in cover to the Policy;
- **EXCLUSIONS** detailing exclusions that apply to the whole Policy;
- **CONDITIONS** defining the terms that apply to the whole Policy;
- **FINANCIAL LIMITS** detailing the maximum the **Underwriter** will pay in the event of a claim under the Policy, subject to the Indexation Clause detailed in Condition 5 of the Policy;
- **CLAIMS NOTIFICATION PROCEDURES** detailing the procedures that should be followed when notifying a claim under any of the sections of the Policy.

This Policy sets out the insurance cover provided by the **Premier Guarantee for Completed Housing**.

This insurance cover is subject to a number of definitions, conditions, exclusions and financial limits as detailed in the Policy.

It is a Policy of indemnity and does not provide any cover for any legal liabilities that the **Policyholder** may have to third parties arising out of the use or ownership of the **Housing Unit**.

Unless otherwise stated on the **Certificate of Insurance** the **Premier Guarantee for Completed Housing** provides **Policyholders** with protection in the following way:

- The **Housing Unit** is insured for a period of up to 10 years against the risk of **Major Damage**, ingress of water through the **Waterproof Envelope** or a danger to health and safety caused by a defect in chimneys or flues. See Section 3 for details.

The Quality of Your Housing Unit

All **Housing Units** insured by the **Premier Guarantee for Completed Housing** have been the subject of a thorough system of checks and inspections prior to and during construction.

The builder had to comply with Building Regulations when the **Housing Unit** was built and would have been overseen by the authorised Building Control Body involved. These Regulations are statutory requirements and are concerned mainly with health and safety, access for the disabled and conservation of fuel and power issues.

Site Audit Surveyors will have completed inspections before the **Certificate of Insurance** was issued. Such inspections are carried out to satisfy the **Underwriter** that the **Housing Unit** represents a normal risk for insurance under the **Premier Guarantee for Completed Housing**. It should not be inferred that the inspections are for any other purpose.

Law applicable to this Policy

The parties to a contract covering a risk in the United Kingdom are free to choose the law applicable to that contract. In the absence of any written agreement to the contrary the law applicable to this contract shall be the law of England and Wales.

Interpretation

Where any word or expression is given a specific meaning then such word or expression shall, unless the context otherwise requires, have the same meaning wherever it appears.

NOTES

- 1) After a satisfactory final inspection has been carried out by the **Site Audit Surveyor** a Cover Note will be issued, if requested, for each **Housing Unit** confirming cover under the Policy.
- 2) A **Certificate of Insurance** will be issued in the name of the **Policyholder** within 10 days of the Cover Note. The **Certificate of Insurance** should be filed with the Policy.
- 3) Extensions in cover at the time of issue of the Policy and subsequent alterations will be confirmed by separate Endorsements, which should 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.
- 4) This Policy is transferable to future owners of the **Housing Unit** provided that such owners contact the **Scheme Administrator** to notify their details.

NOTICE TO THE POLICYHOLDER

As a **Policyholder** you have a number of options for making complaints about your **Premier Guarantee for Completed Housing** policy. These are listed below. Before making any enquiry or complaint please consider carefully the most suitable option to address your concern.

In all cases the Policy/Certificate number appearing in the **Certificate of Insurance** should be quoted.

- 1) You may have received advice on the cover provided by the **Premier Guarantee for Completed Housing** prior to taking out the policy. This advice may have been given by MD Insurance Services Ltd or another Financial Conduct Authority authorised and approved intermediary.

If the advice was given by MD Insurance Services Ltd and you wish to make a complaint please contact:

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

Email: enquiries@premierguarantee.co.uk
Tel: 0151 650 4343

A copy of the MD Insurance Services Ltd Complaints Procedure will be provided on request.

If advice was given by any other Financial Conduct Authority authorised and approved intermediary you should address your complaint directly to them.

- 2) MD Insurance Services Ltd also acts as the **Scheme Administrator** for the **Premier Guarantee for Completed Housing**. If you have any complaint about the way in which MD Insurance Services Ltd has performed the duties as the **Scheme Administrator** please contact:

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

Email: enquiries@premierguarantee.co.uk
Tel: 0151 650 4343

MD Insurance Services is authorised and regulated by the UK Financial Conduct Authority.

A copy of the MD Insurance Services Ltd Complaints Procedure will be provided on request.

- 3) If you have any enquiry or complaint about the insurance provided by the **Premier Guarantee for Completed Housing** this should in the first instance be addressed to:

MD Insurance Services Ltd
2 Shore Lines Building
Shore Road, Birkenhead
Wirral, CH41 1AU

Email: enquiries@premierguarantee.co.uk
Tel: 0151 650 4343

or

The Complaints Department
AmTrust Europe Limited
Market Square House
St James's Street
Nottingham
NG1 6FG

AmTrust Europe Limited is authorised and regulated by the UK Financial Conduct Authority.

- 4) It is a requirement of the **Premier Guarantee for Completed Housing** that a **Site Audit Surveyor** carries out inspections to satisfy the **Underwriter** that each **Housing Unit** represents a normal risk for insurance. It should not be inferred that the inspections are for any other purpose.

If you wish to make a complaint against the **Site Audit Surveyor** about the way in which they have performed this duty you should contact them directly.

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

Note:

- A. If after following the procedures set out in 1 to 3 on Page 2 of this Policy, your complaint has not been resolved to your satisfaction, and you are an eligible complainant you have the right to refer the matter to the Financial Ombudsman, at the following address:-

Financial Ombudsman Service
South Quay Plaza, 183 Marsh Wall,
London E14 9SR.

Email: enquiries@financial-ombudsman.org.uk

The Financial Conduct Authority definition of an eligible complainant is:

- A private individual;
- A business which has a group turnover of less than £1 million;
- A charity with an annual income of less than £1 million;
- A trustee of a trust with a net asset value of less than £1 million.

- B. Any Financial Services authorised and regulated intermediary, the **Underwriter** and the **Scheme Administrator** are covered by the Financial Services Compensation Scheme. As a **Policyholder** you may be entitled to compensation from the Financial Services Compensation Scheme if any of these parties are unable to meet their obligations.

Further information about compensation scheme arrangements is available from the Financial Services Compensation Scheme. Their address is:

Financial Services Compensation Scheme,
7th Floor Lloyds Chambers,
Portsoken Street, London E1 8BN.

YOUR RIGHT TO CANCEL

You have the right to cancel cover under the **Premier Guarantee for Completed Housing**. If you wish to cancel the cover you must do so within 14 days starting on the day after you receive the **Premier Guarantee for Completed Housing** policy documents. Your cancellation must reach the **Scheme Administrator** by letter or email. Contact details are:

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

Email: enquiries@premierguarantee.co.uk

Please quote your **Premier Guarantee for Completed Housing** policy number when cancelling. A return of the insurance premium will be made. The **Scheme Administrator** does however reserve the right to charge an administration fee.

All **Premier Guarantee for Completed Housing** policy documents should be returned to the **Scheme Administrator** with the cancellation request.

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 the loan. Please remember also that if you sell the **Housing Unit** within the period of cover, a purchaser (and any lender at that time) will usually require the cover.

If your **Housing Unit** includes **Common Parts** for which you are jointly responsible with owners of other **Housing Units**, your cancellation will apply to both the cover on your individual **Housing Unit** and the cover for your share of the cost of any claim relating to the **Common Parts**. So if you cancel your cover, you will be obliged under your lease or title to contribute to the cost of repairs along with your neighbours.

2. DEFINITIONS

Wherever any of the following words appear in bold in the Policy wording they will have the undermentioned meaning.

A. CERTIFICATE OF APPROVAL

The Certificate issued by the **Site Audit Surveyor** to the **Underwriter** on or following satisfactory completion of each **Housing Unit**.

B. CERTIFICATE OF INSURANCE

The Certificate issued by the **Underwriter** to signify acceptance of the **Housing Unit** for insurance hereunder following issue of the **Certificate of Approval** by the **Site Audit Surveyor**.

C. COMMON PARTS

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

D. EXCESS

As noted on the **Certificate of Insurance** the **Underwriter** shall not be liable for the first part of any payment made in respect of a valid claim under the Policy for the **Housing Unit**.

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.

E. HOUSING UNIT

The property described in the **Certificate of Insurance** including:

- the **Structure**;
- all non-load bearing elements and fixtures and fittings 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 providing access for the disabled;
- the drainage system within the perimeter of such property for which the **Policyholder** is responsible;
- any attached or integral garage.

Housing Unit does not include any detached garage or outbuilding, conservatory, 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.

F. LIMIT OF INDEMNITY

The liability of the **Underwriter** shall not exceed during the **Period of Insurance** the amount shown as the Sum Insured on the **Certificate of Insurance**, subject to the limits specified in the Financial Limits section of this Policy, index linked in accordance with Condition 5.

G. MAJOR DAMAGE

- a) Destruction of or physical damage to any portion of the **Housing Unit** for which a **Certificate of Approval** has been received by the **Underwriter**;
- b) a condition requiring immediate remedial action to prevent actual destruction of or physical damage to any portion of the **Housing Unit** for which a **Certificate of Approval** has been received by the **Underwriter**;

In either case caused by a defect in the design, workmanship, materials or components of the **Structure** 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 or components of the **Structure** of the **Housing Unit**.

H. PERIOD OF INSURANCE

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

I. POLICYHOLDER

The owner of the property which is the subject of this insurance acquiring a freehold or leasehold interest in a **Housing Unit** or their successor in title, or any mortgagee or lessor whose interest has been noted under the Policy.

J. PREMIER GUARANTEE

The Policy containing the insurance cover provided by the **Underwriter**.

K. SCHEME ADMINISTRATOR

MD Insurance Services Ltd
2 Shore Lines Building
Shore Road, Birkenhead
Wirral, CH41 1AU

L. SITE AUDIT SURVEYOR

The surveyor appointed by 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** issues a **Certificate of Approval**.

M. STRUCTURE

The following elements shall comprise the **Structure** of a **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 external envelope;
- floor decking and screeds, where these fail to support normal loads.

N. UNDERWRITER

AmTrust Europe Limited.

O. WATERPROOF ENVELOPE

Waterproof Envelope shall mean the ground floors, external walls, roofs, skylights, windows and doors of a **Housing Unit** but excluding those parts below ground floor slab level.

3. THE INSURING AGREEMENT

The **Underwriter** will indemnify the **Policyholder** against all claims discovered and notified to the **Underwriter** during the **Period of Insurance** 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 reasonable costs incurred in repairing, replacing or rectifying any part of the **Waterproof Envelope** within the **Housing Unit** as a result of ingress of water caused by a defect in the design, workmanship, materials or components of the waterproofing elements of the **Waterproof Envelope** of the **Housing Unit**.
- 3) The cost of repairing or making good any defects in the chimneys and flues of each **Housing Unit** causing an imminent danger to the health and safety of occupants.

The **Excess** shall be as specified in the **Certificate of Insurance**.

In the event of a claim under this Policy the **Underwriter** has the option either of paying the cost of repairing, replacing or rectifying any damage resulting from items 1 to 3 above or itself arranging to have such damage corrected.

4. ADDITIONAL EXTENSIONS

In addition, in the event of a claim, the **Underwriter** will, with its written consent, pay within the **Limit of Indemnity**:

A. 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 or other Statutory Provisions, 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.

B. ALTERNATIVE ACCOMMODATION COSTS

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

C. 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 investigating and/or preparing a claim.

D. REMOVAL OF DEBRIS

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

- a) removal of debris and/or;
- b) dismantling or demolishing and/or ;
- c) shoring up;

the **Housing Unit**.

5. EXCLUSIONS

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

1. ALTERATIONS

Loss or damage due to or arising from any alteration, modification or addition to a **Housing Unit** after the issue of the **Certificate of Insurance** unless the **Underwriter** has been informed, the **Certificate of Insurance** endorsed, and any applicable additional premium paid to the **Underwriter**.

2. CHANGE IN COLOUR

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

3. CONSEQUENTIAL LOSS

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

4. HUMIDITY

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

5. MAINTENANCE AND USE

Inadequate maintenance of or abnormal use of a **Housing Unit** or the imposition of any load greater than that for which the **Housing Unit** was designed or the use of a **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**.

6. PERSONAL INJURY

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

7. 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** and as a consequence agreed a reduction in the purchase price for the **Housing Unit** or other contractual remedy.

8. 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:

- i) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or 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;

- iii) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;

- iv) 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;

- v) any chemical, biological, bio-chemical, or electromagnetic weapon.

9. 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 a reasonable cost 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.

10. SEEPAGE

Loss or damage caused by seepage of water into a **Housing Unit** below ground floor slab level.

11. SETTLEMENT

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

12. SONIC BANGS

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

13. SPECIAL PERILS

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

14. SUBSIDENCE

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

15. TOXIC MOULD

Loss, damage or bodily injury arising out of any pathogenic organisms regardless of any other cause or event that contributed concurrently or in any sequence to that liability.

Pathogenic organisms means any bacteria, yeasts, mildew, viruses, fungi, mould or their spores, mycotoxins or other metabolic products.

16. VERMIN

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

17. WAR RISKS

Notwithstanding anything to the contrary contained herein this Policy does not cover loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

18. WATER TABLE

Loss or damage resulting solely from a change in the water table level. This exclusion shall not however apply to any seasonal change in the water table level.

19. WEAR AND TEAR

- a) wear and tear;
- b) normal dampness, condensation or shrinkage;
- c) normal deterioration whether caused by neglect or otherwise.

20. WILFUL ACTS

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

6. CONDITIONS

1. ARBITRATION

If any difference shall arise as to the amount to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with the statutory provisions then in force.

2. AUTOMATIC REINSTATEMENT OF THE LIMIT OF INDEMNITY

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

- 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 **Period of Insurance**.

- ii) any **Site Audit Surveyor** fee for the checking of the design and the inspection of any work for the repair or rebuilding of any **Housing Unit** which has been the subject of a claim under this Policy. The **Limit of Indemnity** shall not be reinstated unless a **Certificate of Approval** in respect of such repair or rebuilding work has been issued by the **Site Audit Surveyor**.

3. CONTRIBUTION

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

- i) there is, or would but for the existence of this insurance, be any other insurance applicable, or;
- ii) the **Policyholder** has entitlement to any statutory damages or compensation;

this Policy shall be limited to any amount in excess of such insurance, damages or compensation and shall not be called into contribution.

4. FRAUD

If 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.

5. 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 this Policy. For the purpose of settlement of any claim hereunder the **Limit of Indemnity**, 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.

6. UNDERWRITER'S RIGHTS

In the event of any occurrence which may give rise to a claim under this Policy, the **Underwriter** and its 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.

7. MISREPRESENTATION

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

8. RECOVERIES FROM THIRD PARTIES

The **Underwriter** is entitled to and the **Policyholder** gives consent to the **Underwriter** 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.

9. 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 the Act.

7. FINANCIAL LIMITS

The maximum the **Underwriter** will pay for any claim under the Policy is:

- i) £750,000 for any one **Housing Unit**;
- ii) £350,000 for any **Housing Unit** that has been converted or refurbished;

or the Sum Insured for the **Housing Unit**, whichever is the lesser.

The Financial Limit for all **Housing Units** in one continuous structure is £1,250,000.

The Financial Limits are index linked in accordance with Condition 5 of the Policy.

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 the Financial Limits detailed above and the **Excess**.

8. CLAIMS PROCEDURE

Notification of a claim

On discovery of any occurrence or circumstance that is likely to give rise to a claim under this Policy the **Policyholder** shall as soon as reasonably possible:

- i) give written notice to the **Scheme Administrator**;
- ii) take all responsible steps to prevent further loss or damage;
- iii) submit in writing full details of the claim and supply all correspondence, reports, plans, certificates, specifications, quantities, information and assistance as may be required.



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