

Structural Warranty Policy

Housing



Contacting Us

You can contact **Build-Zone** (as administrator of this **Policy**) by calling the following number during the following hours in relation to this **Policy**:-

Useful telephone numbers:

1. Customer Services:

For all general enquires

0345 230 9873

Opening hours are 9.00am to 5.00pm Monday-Friday

2. Claims Line:

If you have suffered an incident that you may believe gives rise to a claim, you can contact:

Canopus Property Claims
14 – 16 Park Place
Cardiff CF10 3DQ

0345 600 7866

3. A 24 Hour Emergency Contact point is available for the claims line using the number detailed below.

+44 (0)207 608 1334

Email: bzclaims@K-L-A.co.uk

Contents

	Page No.
Contacting us	2
1. Introduction	4
2. Services and Complaints Procedure	5
3. Definitions	7
4. Cover	11
4.1 Cover prior to Completion	11
4.2 Defects Insurance Period	11
4.3 Structural Insurance Period	12
5. Additional Cover during the Structural Insurance Period	14
5.1 Contaminated Land Remediation Expenses	14
5.2 Physical Health & Safety of Occupants	15
6. Additional Extensions	16
7. Financial Limits	17
8. Exclusions	18
9. Conditions	21
10. Claims Procedures	23

1. Introduction

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

The **Build-Zone Structural Warranty Policy** consists of:

- **Confirmation of Cover**
- Policy Booklet
- **Certificate of Insurance**

Please examine the **Policy** and **Certificate of Insurance** to make sure that you have the cover that you require. If you need clarification or need to make any amendments, please call the **Administrator**. Immediate notice should be given to the **Administrator** of any changes which may affect the insurance provided by this **Policy**.

This **Policy** is underwritten by certain Underwriters at Lloyd's which are managed by Canopus Managing Agents Limited. Canopus Managing Agents Limited is entered in the register of Lloyd's Managing Agents Registered office: Gallery 9, One Lime Street, London, EC3M 7HA Registered in England No 01514453. Canopus Managing Agents Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

In accordance with the authorisation granted by the **Insurer** under Binding Authority Number B6839/SD101, Sennocke International Insurance Services Limited is acting as an insurance broker for the **Insurer**. Sennocke International Insurance Services Limited is authorised and regulated by the Financial Conduct Authority.

In return for payment of the premium the **Insurer** agrees to provide insurance to the **Policyholder** as described in the **Policy**. It is subject to a number of definitions, conditions, exclusions and financial limits as detailed in the **Policy** and the **Certificate of Insurance**.

Law

This contract is subject to English Law unless both parties agree otherwise. This contract is written in English and all communications about it will be conducted in English.

2. Services and Complaints Procedure

I) Complaints

The **Administrators'** aim is to provide you with a high quality service at all times, although they do appreciate that there may be instances where you feel it is necessary to lodge a complaint.

If you do wish to complain, please note the 3 steps below, along with the relevant contact details for each step.

Please take special note however that should you wish to direct your complaint directly to Lloyd's in the first instance, you may do so by using the contact information referenced in Step 2 below.

Step 1:

In the first instance, if your complaint does not relate to a claim please direct it to:

Sennocke International Insurance Services Limited
6 Pembroke Road
Sevenoaks
Kent
TN13 1XR
Tel: 0044 1732 742102
E-mail: customerservices@build-zone.com

or, if your complaint does relate to a claim, please direct it to:

Operations manager
Canopus Property Claims
14-16 Park Place
Cardiff CF10 3DQ
E-mail: canopuspropertyclaims@cl-uk.com

Step 2:

Should you remain dissatisfied with the outcome of your complaint from Sennocke or Canopus Managing Agents Limited your legal rights are not affected, and you may refer your complaint to Lloyd's. Lloyd's contact information is:

Complaints at Lloyd's
Lloyd's
Fidentia House
Walter Burke Way
Chatham Maritime
Kent ME4 4RN.

Tel: 020 7327 5693
Fax: 020 7327 5225
E-Mail: complaints@lloyds.com
Website: www.lloyds.com/complaints

Details of Lloyd's complaints procedure are set out in a leaflet "Your Complaint – How We Can Help", which is available at the website address above. Alternatively, you may ask Lloyd's for a hard copy.

Step 3:

If you still remain dissatisfied after Lloyd's has considered your complaint, you may have the right to refer your complaint to the Financial Services Ombudsman. The Financial Services Ombudsman can normally deal with complaints from private individuals and small organisations. The contact information is:

Financial Ombudsman Service
Exchange Tower
London E14 9SR

Tel: 0800 0234 567 (normally free from a fixed line, charges may apply from mobiles)
0300 1239 123 (normally charged at the same rate as 01 or 02 on mobile phone tariffs).
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

II) 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.

III) The Insurer

The **Build-Zone New Home Structural Warranty** is underwritten by Lloyd's Syndicate 4444. Lloyd's Syndicate 4444 is managed by Canopus Managing Agents Limited whose registered office is: Gallery 9, One Lime Street, London, EC3M 7HA. Registered in England No 01514453. Canopus Managing Agents Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

IV) Financial Services Compensation Scheme

The **Insurer** is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme, if the **Insurer** is unable to meet its obligations to you under this contract. This depends on the type of business and the circumstances 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 Tel: 0800 678 1100 (freephone) or 020 7741 4100. Website: www.fscs.org.uk

V) Data Protection Act

The **Insurer** and the **Administrator** are the data controllers (as defined by the Data Protection Act 1998 and all applicable laws which replace or amend it, including the General Data Protection Regulation) who may collect and process your personal information.

For full details of what data the **Insurer** collects about you, how they use it, who they share it with, how long they keep it and your rights relating to your personal data, please refer to the [Privacy Notice](#) which will be available on their website during May 2018 www.canopus.com.

If you do not have access to the Internet, please write to the Group Data Protection Officer (address below) with your address and a copy will be sent to you in the post.

In summary:

The **Insurer** and the **Administrator** may, as part of their agreement with you under this contract, collect personal information about you, including:

- Name, address, contact details, date of birth and cover required
- Financial information such as bank details
- Details of any claim(s)

The **Insurer** and the **Administrator** will also collect personal information about any additional people who you wish to be insured under the policy.

All phone calls may be monitored and recorded and the recordings used for fraud prevention and detection, training and quality control purposes.

Your personal information may be shared with third parties which supply services to the **Insurer** or which process information on their behalf (for example, premium collection and claims validation, or for communication purposes related to your cover). The **Insurer** will ensure that they keep your information secure and do not use it for purposes other than those that they have specified in their [Privacy Notice](#).

Some third parties that process your data on the **Insurers** behalf may do so outside of the European Economic Area ("EEA"). This transfer and processing is protected by EU Model Contracts which aim to provide the equivalent level of data protection to that found in the EU.

The **Insurer** and the **Administrator** will keep your personal information only for as long as they believe is necessary to fulfil the purposes for which the personal information was collected (including for the purpose of meeting any legal obligations).

The **Insurer** and the **Administrator** will share your information if they are required to by law. They may share your information with enforcement authorities or with a third party in the context of actual or threatened legal proceedings, provided they can do so without breaching data protection laws. If you have any concerns about how your personal data is being collected and processed, or wish to exercise any of your rights detailed in the **Insurer's** [Privacy Notice](#), please contact:

Group Data Protection Officer
Canopus Managing Agents Limited
Gallery 9
One Lime Street
London EC3M 7HA UK
privacy@canopus.com
T + 44 20 7337 3700

VI) Insurer's Liability

The subscribing insurers' 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 insurers are not responsible for the subscription of any co-subscribing insurer who, for any reason, does not satisfy all or part of its obligations.

3. Definitions

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

Administrator

Sennocke International Insurance Services Limited trading as Self-Build Zone or Build-Zone.

Approved Inspector

An Individual or a Corporate Approved Inspector(s) registered with the Construction Industry Council, 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 2010.

Basement

A basement is a storey which is partially or wholly below that of the external ground level.

Builder

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

Building Control Certificate

The certificate issued by the Local Authority Building Control Department or an **Approved Inspector** to evidence that a **New Development** has met the requirement of the Building Regulations of England and Wales, Building Regulations of Eire, Building (Scotland) Act of Scotland and Building Regulations (Northern Ireland) of Northern Ireland.

Build-Zone Structural Warranty

The insurance cover provided by the **Insurer**.

Certificate of Insurance

The certificate issued by the **Administrator** confirming cover is in place for the **Housing Unit** following the sale of the **Housing Unit** by the **Developer**.

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 or responsibility.

Completion

The date **Technical Audit Approval** is signed by the **Technical Audit Surveyor**.

Confirmation of Cover

The confirmation issued by the **Administrator** specifying the **Housing Unit** and signifying the **Insurer's** agreement to the provision of the insurance cover set out in this **Policy** following receipt of **Technical Audit Approval** for the **Housing Unit**.

Defect

A failure to comply with, but not limited to the following:-

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;
The current Building Regulations and Technical Booklets in Eire

in respect of the construction of the **Housing Unit**.

For any **Housing Unit** under this **Policy** which relates to the conversion, refurbishment, renovation or extension of a **New Development**, the definition of **Defect** shall only be deemed to include any of the **Works** carried out by the **Builder** as part of the conversion, refurbishment, renovation or extension.

Defects Insurance Period

- 1) If the date of purchase of the **Housing Unit** from the **Developer** is within 12 months of the **Technical Audit Approval** then the defects insurance period will commence on the date of purchase and end 2 years thereafter.

- 2) If the date of purchase of the **Housing Unit** from the **Developer** is more than 12 months after the date of the **Technical Audit Approval** then the defects insurance period will commence on the **Technical Audit Approval** date and end 2 years thereafter.

Developer

The person or persons, sole trader or entity, partnership or company who registers the **New Development** with the **Build-Zone Structural 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.

Excess

As noted on the **Certificate of Insurance**, the first amount of any claim for which the **Insurer** has 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 **Insurer**, regardless of whether more than one cause of loss is notified at the same time.

Housing Unit

The property described in the **Confirmation of Cover** and **Certificate of Insurance** including:

- the **Structure** (which is deemed to be part of any new, conversion, refurbishment, renovation or extension **Work** to the **Housing Unit**);
- 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 providing access for the disabled;
- the drainage system within the perimeter of such property for which the **Policyholder** is responsible;
- any integral or attached conservatory or garage to the main **Structure** which was designed and included as part of the original plans and built at the same time as the main **Structure**;
- any detached garage(s), outbuildings and conservatories which was/were designed and included as part of the original plans, built at the same time as the main **Structure**, and noted on the **Confirmation of Cover**.

Garages and outbuildings are to be built in accordance with the Building Regulations or other associated regulation(s) and built to the same standard as the main **Housing Unit**. Failure to build the **Structure** to the required standard or pass the **Technical Audit Approval** will result in the exclusion from the Self-Build or **Build-Zone Structural Warranty Policy**.

NOTE: The **Housing Unit** does not include any swimming pool, temporary **Structure**, 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.

Indirect Losses

The **Insurer** will only pay for costs which are incurred as a direct consequence of the event which led to a claim under the **Policy**. For example, the **Insurer** will not be liable for any loss of profit, liquidated or unliquidated damages, penalties for delay, non-completion, detention or in connection with guarantees of performance or efficiency or loss of use, increased cost of working, loss of contracts, loss arising out of delay in completing or negotiating contracts.

Insurer

Lloyd's Syndicate 4444.

Major Damage

Any fault, failure or defect in the design, workmanship, materials or components of the:

- **Structure**;
- or
- waterproofing component of the **Waterproof Envelope**;
- or
- the drainage system within the perimeter of such property, serving the **Housing Unit** and for which the **Policyholder** is responsible;

causing destruction of, or physical damage to, the **Housing Unit** for which **Confirmation of Cover** has been issued by the **Administrator**:

and/or

causing a condition requiring immediate remedial action to prevent actual destruction or physical damage to the **Housing Unit**. **Major Damage** must be first discovered during the **Structural Insurance Period**.

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 fault or failure in the design, workmanship or materials of the **Structure** of the **Housing Unit**.

Mediation

A method of resolution under the terms of this **Policy** where the **Insurer, Administrator** and **Policyholder** agree to the resolution of a dispute or difference by mediation in accordance with the Centre for Effective Dispute Resolution Model Mediation Procedure.

New Development

A **Housing Unit** or group of **Housing Units** located at the site, details of which are noted on the **Confirmation of Cover**.

For the purpose of this definition, a **New Development** is not deemed to include any building **Works** other than the **Housing Unit(s)** detailed in the **Confirmation of Cover**.

Period of Insurance

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

Policy

The **New Home Structural Warranty Policy** issued to the **Policyholder**. The **Policy** consists of the **Confirmation of Cover**, this policy booklet and the **Certificate of Insurance**.

Policyholder

- **For Section 4.1:** A third party having paid a deposit for the **Housing Unit** to the **Developer**.
- **For Sections 4.2, 4.3, 5.1 and 5.2:** The owner acquiring a freehold interest in the **Housing Unit**, or their successors in title and / or any mortgagee or lessor whose interest is noted in the **Certificate of Insurance**.

Policyholder's 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 time of or prior to the **Technical Audit Approval**, and for which the **Policyholder** is responsible.

Remediation Expenses – for Section 5.1

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

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.

Structure

The following elements form part of 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 providing support to the structure;
- roof covering;
- any external finishing surface (including rendering) necessary for the water-tightness of the **Waterproof Envelope**;
- floor decking and screeds, only where these fail to support normal loads;
- wet applied plaster;
- glazed panels to external windows and doors.

Structural Insurance Period

- 1) If the date of purchase from the **Developer** is within 12 months of the **Technical Audit Approval** then the structural insurance period will commence 2 years after the date of purchase and end 8 years thereafter.
- 2) If the date of purchase from the **Developer** is more than 12 months after the date of the **Technical Audit Approval** then the structural insurance period will commence 2 years after the **Technical Audit Approval** date and end 8 years thereafter.

Sum Insured

The amount specified in the **Certificate of Insurance**.

Technical Audit Approval

The confirmation issued by Build-Zone Survey Services Ltd (BZSS), to the **Administrator** following satisfactory completion and final inspection of each **Housing Unit** to confirm that the **Housing Unit** meets the requirements for the issue of a **Build-Zone Structural Warranty**.

Technical Audit Surveyor

A technically competent Surveyor and/or suitably qualified building professional appointed by BZSS to carry out the required checks and inspections solely on behalf of the **Insurer**.

Waterproof Envelope

The ground floors, external walls, roofs, skylights, windows, doors, of a **Housing Unit** but excluding those parts below ground floor slab level.

Works/Work

The work relevant to the construction or rectification of a new build, renovated, converted or completed project in accordance with the contract, good practice, all relevant and applicable industry regulations, codes of practice and relevant Building Regulations.

4. Cover

4.1 Cover prior to Completion

If, due to insolvency or fraud, the **Developer** does not start the **Housing Unit**, the **Insurer** 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** and achieve **Technical Audit Approval**, the **Insurer** will at its sole discretion:

- i) Pay the additional costs to complete the **Housing Unit**, where permissible in law,
- or
- ii) Refund the deposit paid by the **Policyholder** to the **Developer** for the construction of the **Housing Unit**

Provided always that the **Insurer** is 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 purchase price of the **Housing Unit**, or £100,000, whichever is the lesser.

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 **Insurer** will be entitled to deduct such amount from monies they would otherwise be obliged to pay under this Section.

The **Insurer** is only liable under this Section 4.1 in respect of the deposit paid against the original purchase price, and not in respect of any extra amounts subsequently agreed.

The **Policyholder** cannot recover under this Section 4.1 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 4.1 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 the avoidance of doubt the definition of **Developer** does not include any sub-contractor or sub-consultant employed at the **New Development**.

4.2 Defects Insurance Period

If, during the **Defects Insurance Period**, 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;
- ii) Reimburse the **Policyholder** for all 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 **Work** is carried out.

Once notified of **Defects** during the **Defects Insurance Period** the **Developer** remains liable in respect of those **Defects** that have already been notified for the full term of the Warranty **Policy**, unless specifically agreed in writing by the **Insurer**.

The **Insurer** 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 approved and notified to the **Developer** during the **Defects Insurance Period** and which is notified to the **Insurer** within 6 months of the expiry of the **Defects Insurance Period**.

The **Insurer** will not be liable unless:

- i) the **Developer** has refused to respond to the **Policyholder's Defect** notification and/or;

the **Developer** has withheld consent to resolve the dispute by using the **Mediation** service offered by the **Administrator** and/or;

the **Developer** has accepted the **Mediation** decision after using the **Mediation** service but has failed to carry out the **Works** or repairs stated in the Mediator'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 **Insurer** 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.

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 the **Insurer** then the **Policyholder** shall reimburse the **Insurer** in full for the amount of such payment.

Exclusions applicable to Section 4.2

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

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

4.3 Structural Insurance Period

The **Insurer** will indemnify the **Policyholder** against all claims discovered and notified to the **Insurer** 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 **Insurer** does not exceed the cost of rebuilding each **Housing Unit** to its original specification.
2. The cost of repairing or making good any fault or failure 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 **Certificate of Insurance**.

In the event of a claim under this section, the **Insurer** 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 the Structural Insurance Period

(Where an Approved Inspector carried out Building Control)

This section of the cover applies if an **Approved Inspector** carried out Building Control in England and Wales. Your **Certificate of Insurance** will clearly show if you have this cover.

5.1 Contaminated Land Remediation Expenses

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

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

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

Exclusions Applicable to Section 5.1

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

- i) Loss caused by a breach of any covenant contained in the property deeds;
- ii) Death, bodily injury, sickness, disease or psychiatric damage or shock suffered by any persons;
- iii) Damage to any property and/or expenses incurred and/or any costs associated with the remediation of land which is not owned by the **Policyholder**;
- iv) Contamination that, at the date of purchase, the first owner or subsequent owners knew or ought reasonably to have known could result in the issue of a **Statutory Notice** under legislation, Government guidance or any regulatory or enforcement body's guidance in force at the date of **Completion**;
- v) Contamination that could not have resulted in the issue of a Statutory Notice under any legislation or Government or enforcement body guidance in force from the date of the original purchase of the **Housing Unit** from the **Developer**;
- vi) Diminution of value whether perceived or actual due to the existence or former existence of contamination;
- vii) Contamination which first occurs after the original purchase of the **Housing Unit** from the **Developer**;
- viii) Contamination that migrates onto the **Housing Unit** after the date of **Completion**;
- ix) Damages payable to third parties, compensation or criminal expenses arising out of, or in connection with, contamination in or under the **Policyholder's Land**;
- x) Anything in connection with naturally occurring radon.

Indirect Losses

The **Insurer** will only pay for costs which are incurred as a direct consequence of the event which led to a claim under the **Policy**. For example, the **Insurer** will not be liable for any loss of profit, liquidated or un-liquidated damages, and penalties for delay, non-completion, detention or in connection with guarantees of performance or efficiency or loss of use, increased cost of working, loss of contracts, loss arising out of delay in completing or negotiating contracts.

5.2 Physical Health and Safety of Occupants

The **Insurer** 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, refurbishment, renovation or extension 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

- i) Costs relating to the failure of any pre-existing **Structure** to comply with Building Regulations.
- ii) Anything which the **Insurer** would pay for under another section of this **Policy**
- iii) 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 are referred to the **Developer** during **Defects Insurance Period** please see Section 4.2.

6. Additional Extensions

In addition to **Policy** Sections 4 and 5, in the event of a claim under this **Policy**, the **Insurer** will pay within the Financial Limit:

Additional costs

Additional costs and expenses incurred solely in order to comply with Building Regulations requirements or Local Authority or other statutory provisions, provided that the **Insurer** shall not be liable for costs that would have been incurred irrespective of the discovery of a claim.

Alternative accommodation costs

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. Alternative accommodation is to be of a similar standard to the **Housing Unit**.

Fees

Architects', surveyors', legal, consulting engineers' and other fees incurred by the **Policyholder** in relation to the complete or partial rebuilding or rectifying **Work** to the **Housing Unit**. However, this will 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 **Insurers** written consent in respect of:

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

the **Housing Unit**.

Each of the above items requires prior written approval of the **Insurer**.

7. Financial Limits

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

Section 4.1 Cover Prior to Completion

£100,000 or 10% of the purchase price of the **Housing Unit** whichever is lesser.

Section 4.2 Defects Insurance Period

Section 4.3 Structural Insurance Period

Insurers' maximum liability under Sections 4.2 and 4.3 is the **Sum Insured** as noted on the **Certificate of Insurance**.

Section 5.1 Contaminated Land

The maximum the **Insurer** 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** noted on the **Certificate of Insurance**, whichever is the lesser.

Section 5.2 Physical Health and Safety of Occupants

The maximum the **Insurer** will pay for claims relating to the **Housing Unit** under section 5.2 of the **Policy** is the **Sum Insured** noted on the **Certificate of Insurance**.

Common Parts

The maximum the **Insurers** 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**. This is subject to the overall limit of the **Sum Insured** as stated on the **Certificate of Insurance**.

8. Exclusions

The following Exclusions are applicable to all sections.

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

1. Alterations and/or extension
Loss or damage due to or arising from any alterations, extension, modification or addition to the **Housing Unit** after the issue of the **Technical Audit Approval** unless the **Administrator** has been informed, the **Certificate of Insurance** endorsed, and any applicable additional premium paid to the **Administrator**.
2. Change in colour
Any change in colour, texture, opacity or staining or other ageing process.
3. Defects in existing works
Loss or damage due to, or arising out of, any fault or failure in the design, workmanship, materials or components of the **Housing Unit** that was installed or constructed prior to the conversion, refurbishment, renovation or extension **Works** that are the subject of this insurance.
4. Glazed panels
Loss or damage to existing glazing panels in any **Housing Unit** that has been converted, refurbished or renovated or extended unless such glazed panels were newly installed at the time of such conversion, refurbishment, renovation or extension.
5. Indirect loss
Indirect loss of any description except as specifically provided for in this **Policy**.
6. Humidity
Loss or damage caused by, or in consequence of, humidity in a **Housing Unit** that is not a direct result of the ingress of water caused by a fault or failure in the design, workmanship, materials or components of the waterproofing elements of the **Waterproof Envelope** of the **Housing Unit**.
7. Ingress of water
Loss or damage caused by the ingress of water to those parts of the **Structure** outside of the **Waterproof Envelope**.
8. 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**
9. Material damage
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 or impact.
10. Personal injury
Any costs, losses, expenses or damages for death, bodily injury, disease, illness or injury to mental health.
11. 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**.
12. Pyrites
This **Policy** does not cover the loss, damage, cost of replacing or changing any element or components of the **Structure** within the **Housing Unit** or Development as a result of the effects or discovery of pyrites.
13. 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 or by or arising from:

- a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
 - b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
 - c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
 - d) 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;
 - e) any chemical, biological, bio-chemical, or electromagnetic weapon.
14. Settlement and drying out
Loss or damage caused by or consequent upon normal settlement, bedding down, or drying out of the **Housing Unit**.
15. Sonic bangs
Loss or damage directly occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.
16. Subsidence and coastal erosion
Loss or damage caused by or consequent upon subsidence, heave or landslip unless such loss or damage is as a result of a fault or failure in the design, workmanship, materials or components of the **Structure** of the **Housing Unit**.
17. 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.
18. 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, or
 - when the loss or damage relates to a specific part of part of an item, or to a clearly defined area.
19. 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 **Confirmation of Cover**.
20. Unseasoned timber
This **Policy** is not designed to and will not cover the movement and characteristic changes associated with the use of Unseasoned Timber 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 Timber in the **Housing Unit** is specifically excluded unless it can be proven that such loss or damage is the result of the Unseasoned Timber **Structural** element having failed to support the loadings it was initially designed to achieve.
21. Vermin
Loss or damage caused by or consequent upon the actions of rodents or vermin or insect infestation.
22. 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 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.

23. Water table
Loss or damage resulting from a change in the water table level.
24. **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
25. Wilful acts
Any wilful neglect or criminal act of the **Policyholder** or any other party.

9. Conditions

1 Mediation

If any dispute or difference shall arise as to the amount to be paid under this **Policy** (liability being otherwise admitted), such dispute or difference between the **Policyholder** and **Insurer** shall be settled by **Mediation** in accordance with the Centre for Effective Dispute Resolution Model Mediation Procedure.

- i) To initiate the **Mediation**, once all other avenues of redress have been exhausted a party must give notice to the **Administrator** requesting dispute **Mediation**.
- ii) The **Administrator** will instruct the Centre for Effective Dispute Resolution.
- iii) Unless otherwise agreed between all the parties, the Mediator will be nominated by the Centre for Effective Dispute Resolution.
- iv) The **Mediation** will start not later than 14 days after the date of the notice. The commencement of **Mediation** will not prevent the parties commencing or continuing court proceedings or arbitration.
- v) The cost (excluding any of the **Mediation**) shall be borne equally between the two parties.
- vi) Both parties agree to abide by the decision outcome of the **Mediation** process.

2 Reinstatement of sum insured

In consideration of the **Sum Insured** not being reduced by the amount of any loss, the **Policyholder** agrees to pay 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 4.2, 4.3, 5.1 or 5.2.

3 Continuation of cover following a claim

Following a claim under the **Policy**, it may be necessary for site inspections to be carried out by a **Technical Audit Surveyor**. In order for cover to continue, the **Policyholder** must allow access to the **Housing Unit** for the inspection to be carried out. The cost of the inspections shall be borne by the **Policyholder**.

4 Cancellation

Right to cancel

You have the right to cancel this **Policy** within 14 days of receiving your **Build-Zone Structural Warranty Policy** documents. If you wish to do so, you must advise the **Administrator** in writing, returning all documentation.

- a) **Cancellation prior to Certificate of Insurance being issued:** As some or all of the **Technical Audits** may have been carried out, any refund will depend on the stage at which notice of cancellation is given. The **Administrator** reserves the right to charge an administration fee.
If Section 4.1 was included together with an administration fee, this will also be taken into account when calculating any refund.
- b) **Cancellation following issue of the Certificate of Insurance:**
 1. If a Third Party has completed the proposal form or paid the premium, you will not be entitled to a refund of premium. The premium can only be paid back to the party who originally paid the premium and who still has an insurable interest in the property.
 2. If you have completed the proposal form and paid the premium you may be entitled to a refund. This will take into account the period where cover has been in force, plus an administration fee.

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**. If you cancel your **Policy**, you may be obliged under your lease or title to contribute to the cost of any repairs or associated costs.

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 to be 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 Other insurance
If you claim under this **Policy** for something that is also covered by another insurance policy, you must provide the **Insurer** with full details of the other policy. The **Insurer** will only pay its share of any claim.
- 7 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 their behalf, to obtain benefit under this insurance, all benefit under this **Policy** shall be forfeited.
- 8 Indexation
In respect of Sections 4.2, 4.3, 5.1 and 5.2 of the policy, the **Sums Insured** referred to within the **Certificate of Insurance** will be 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 **Defects Insurance Period**. For the purpose of settlement of any claim under this **Policy** the Financial Limit, as adjusted in accordance with the foregoing provisions shall be regarded as the Financial Limit at the time of discovery by the **Policyholder** of such claim.
- 9 Recoveries from third parties
The **Insurer** 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**.
- 10 Insurer's rights
In the event of any occurrence which may give rise to a claim under this **Policy**, the **Insurer** or its agents shall, with the permission of the **Policyholder**, be entitled to enter the **Housing Unit** in order to carry out rectification **Work** or the complete or partial rebuilding of the **Housing Unit**. If such permission is unreasonably withheld the **Policyholder** shall be responsible for any additional costs caused by the delay in carrying out such **Work**.

10. Claims Procedures

Please check your Confirmation of Cover and/or Certificate of Insurance 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: Cover Prior to Completion

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

Canopus Property Claims,
14-16 Park Place,
Cardiff,
CF10 3DQ.

Tel: 0345 600 7866.

9.2 Notifying a claim after completion – Policy Section 4.2: 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 **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 **Insurer**.

Diminution of loss or damage

The **Policyholder** shall carry out and/or 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 the **Policyholder** shall 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 notify 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 **Administrator** within 6 months of the expiry of the **Defects Insurance Period**. Failure to make notification within the time frames may invalidate your claim.

Should the **Developer** not remedy a **Defect** correctly or fail to respond to the **Policyholder's** written notification satisfactorily, the **Administrator** will usually provide a **Mediation** service.

The **Mediation** 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 such as 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 **Administrator**, the **Administrator** will arrange for a technically competent and suitably qualified building professional to investigate the dispute that has been referred to the **Mediation** service.

Using the **Mediation** 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 **Mediation** service as to the most appropriate forum for each particular dispute and the manner in which that dispute should be progressed.

The **Mediation** 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 **Administrator** nor the **Insurer** 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 **Mediation** service.

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

- 1) If both the **Policyholder** and **Developer** are in agreement with the **Mediation** report's findings the **Developer** must carry out any test, investigations, rectification, remedial or reinstatement **Work(s)** 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 report's findings but the **Developer** fails to carry out any necessary test, investigations, rectification, remedial or reinstatement **Work(s)** or **Work** within the agreed period of time identified in the report, then the **Policyholder** must advise the **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.

9.3 Notifying a Claim after Completion – Policy Section 4.3 - 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 **Administrator** if the discovery falls within the **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 **Administrator**.

Diminution of loss or damage

The **Policyholder** shall carry out and/or 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 the **Policyholder** shall 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. It is the **Policyholder's** responsibility to substantiate their loss and you may be asked to complete a claim form detailing the circumstances of the alleged claim.

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 **Administrator** on 0345 230 9873.

Diminution of loss or damage

The **Policyholder** shall carry out and/or 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 the **Policyholder** shall 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. It is the **Policyholder's** responsibility to substantiate their loss and you may be asked to complete a claim form detailing the circumstances of the alleged claim.

9.5 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 **Administrator** if it falls in the **Structural Insurance Period** years 3 to 10.

The **Policyholder** should carefully consider the nature of the claim and whether the circumstances actually represent a danger to the physical health and safety of the occupants of the **Housing Unit** and that they are likely to be as a result of the failure to comply with the Building Regulations listed in Section 5.2. If the **Policyholder** is unsure of the nature of the occurrence they should contact the **Administrator**.

Diminution of loss or damage

The **Policyholder** shall carry out and/or 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 the **Policyholder** shall 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. It is the **Policyholder's** responsibility to substantiate their loss and you may be asked to complete a claim form detailing the circumstances of the alleged claim.

9.6 Insured's obligations

The **Insured** must ensure it complies with any formal instructions in relation to maintenance and care of the **Housing Unit** as any failure to do so may prejudice the **Insured's** right to claim. Furthermore the **Insured** must not use the **Housing Unit** for anything other than its intended purpose.



Build-Zone
6 Pembroke Road
Sevenoaks
Kent
TN13 1XR

www.Build-Zone.com

Telephone 0345 230 9873
Facsimile: 01732 740 994

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