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## AHCI Latent Defect Insurance Policy

### Your Demands and Needs

This product meets the demands and needs of those building or developing residential properties who require protection against Major Damage caused by a structural or latent defect during the course of construction, for specifically defined reasons. Because AHCI have not reviewed your individual circumstances we are not in a position to provide you with a personal recommendation relating to this product. AHCI have provided you with information about the product in order for you to determine whether a product is suitable for your needs, you should read the associated documentation and decide if this policy suits your particular requirements

### Policy Summary

This is a summary of the policy and does not contain the full terms and conditions of the cover, which can be found in the policy, named the Policy of Insurance. It is important that you read the Policy of Insurance carefully when you receive it.

#### Name of the Insurer

The Insurer of this policy is Elite Insurance Company Ltd.

#### Type of Insurance and Cover

AHCI Latent Defects Insurance provides protection in the event of Major Damage, specifically caused by a structural or latent defect during the course of the construction. The Residential property is insured from the date of practical completion (or a more specific Insurance Commencement Date if later) for a period of 10 years.

The policy has an initial period of 2 years where the Builder/Developer is responsible for defects and this insurance is contingent for if that Builder/Developer should cease to trade. The subsequent 8 year period is directly addressed by this policy.

The policy additionally insures against the cost of removal or containment of Contamination.

#### Significant Features and Benefits

The Insurer will indemnify the Policyholder against all claims discovered and notified to the Insurer during the Structural Insurance Period in respect of the cost of complete or partial rebuilding of or rectifying work to the Residential Housing Unit which has been affected by Major Damage. Extensions include Additional Costs, Alternative Accommodation Costs, professional Fees and Removal of Debris.

The Insurer shall indemnify the Policyholder during the Structural Insurance Period for the cost of removing or containing contaminants in the ground where the contaminants were known both to be harmful and to exist on the Site at the time the 'notice to build' was deposited with the local authority; and the removal or containment of the known contaminants was part of the original Site preparation scheme; and where a Government Department has issued the Policyholder with a Notification of the Identification of Contaminated Land.



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You may request to add Insolvency Cover to your policy where if due to Insolvency or Fraud the Developer does not commence work on a Housing Unit the Underwriter will refund the deposit paid by the Policyholder.

### **Significant and Unusual Exclusions or Limitations**

The Insurer will not be liable for any Alterations, Consequential Loss, Change in Colour, Defects in Existing Works, Humidity, inadequate or abnormal Maintenance and Use, Personal Injury, Prior Knowledge, costs not considered as being reasonable, Radioactivity etc, Seepage, Settlement, Sonic Bangs, Special Perils more accurately insured under a Buildings Insurance Policy, Subsidence, Toxic Mould, Vermin, War & Terrorism, changes to Water Table, Wear and Tear and Wilful Acts.

The maximum amount the insurer will pay for any claims under the Structural Insurance Period is £5,000,000 for any one Residential Housing Unit, and for Contamination a maximum of £5,000,000 for any one Residential Housing Unit.

### **Duration of the Policy**

The policy will remain in force the period shown on the policy, which is usually 10 years from the date of practical completion. You do not need to review the level of cover during the term of the policy.

### **Right of Cancellation**

You may cancel this policy from the date of commencement if you decide within 14 days of receipt of your policy that you no longer want the cover. A full explanation of how to cancel the cover can be found within the policy document.

### **How to Make a Claim**

Contact the Insurer, Elite without delay in writing or by telephone during office hours on 0845 601 1221.

### **Complaints**

Both AHCI and the Insurer hope that you will be happy with the service they provide. However, if for any reason you are unhappy with this, we would like to hear from you. In the first instance please write to the Scheme Administrator, AHCI. If you are still not satisfied, please write to the Insurer, Elite Insurance Company Ltd, Newton Chambers, Newton Business Park, Isaac Newton Way, Grantham, Lincs, NG31 9RT. The Insurer is a member of the Financial Ombudsman Service. If you have complained to the Insurer and they have been unable to resolve your complaint, you may then be entitled to refer it to this independent body.

### **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 cannot meet their obligations. This depends on the type of business and the circumstances of the claim.

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