



Commercial Latent Defects Insurance Policy Document



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Commercial Latent Defects Insurance Policy

Introduction

This policy wording is evidence of a legally binding contract of insurance between **you** (the **insured**) and **us** (Casualty & General Insurance Company (Europe) Limited). **We** rely upon:

- The information **you** provided or which has been provided on **your** behalf when **you** took out insurance with **us**, and
- Any other information given by **you** or on **your** behalf in the formation and throughout the duration of the contract.

You must read this policy wording, **initial certificate**, **certificate of insurance** and any **endorsements** together. The **initial certificate** and/or **certificate of insurance** tells **you** which sections of the policy wording apply. Please check all the above documents carefully to make certain they give **you** the cover **you** want.

We agree to insure **you** under the terms, conditions and exceptions contained in this policy wording or in any **endorsement** applying to this policy wording. The insurance provided by the policy wording covers loss or damage that may occur within the United Kingdom, Channel Islands and the Isle of Man during the **period of insurance** for which **you** have paid, or agreed to pay the premium.

Our provision of insurance under this policy is conditional upon **you** observing and fulfilling the terms, provisions and conditions of this policy.

Nobody other than the **insured** and **us** (Casualty & General Insurance Company (Europe) Limited) has any rights that they can enforce under this contract of insurance although it is freely assignable.

Unless specifically agreed otherwise, this insurance shall be subject to English Law.

The terms and conditions of this policy and all other information concerning this insurance are communicated to **you** in the English language and **we** undertake to communicate in this language for the duration of the policy.

Casualty & General Insurance Company (Europe) Limited

The parties involved in your insurance

Your insurance has been arranged and placed with **us** by Advantage as the **scheme administrator**. Advantage Advantage is a trading style of AHCI Limited a company incorporated in England and Wales under company number 09135644 and has a registered address of Advantage House, 110 Mere Grange, St Helens, WA9 5GG and is an Appointed Representative of Build Secure Ltd who is registered in England and Wales company number 13751832 registered address Finchale House, Belmont Business Park, Durham, DH1 1TW. Build Secure Ltd is authorised and regulated by the Financial Conduct Authority under Firm Reference Number 983231.

We have appointed Advantage to administer **your** insurance on **our** behalf.

Throughout this policy document they are referred to either as the **scheme administrator** and or as the firm that arranged and placed **your** insurance with **us**.

Advantage can be contacted at:

Advantage House
110 Mere Grange
St Helens
WA9 5GG

Tel: 0845 900 3969
Email: sales@ahci.co.uk

You should contact the firm that arranged **your** insurance with **us** if **you** have any questions about **your** insurance or if **you** need to make a change to **your** insurance (see "Notification of changes which may affect your insurance").

Your insurer

Your insurer is Casualty & General Insurance Company (Europe) Limited. Registered in Gibraltar No. 89400 with a registered office at 6a Queensway, Gibraltar, GX11 1AA.

Casualty & General Insurance Company (Europe) Limited is licensed by the Financial Services Commission in Gibraltar under the Financial Services (Insurance Companies) Act to carry on insurance business in Gibraltar, and authorised and subject to limited regulation by the Financial Conduct Authority. Details about the extent of **our** authorisation and regulation by the Financial Conduct Authority are available from **us** on request.

We are also members of the Financial Ombudsman Service (FOS) and the Financial Services Compensation Scheme (FSCS).

Understanding your policy

You are requested to read the whole of this policy wording, the **initial certificate**, the **certificate of insurance** and any **endorsements** in order to understand the extent of cover. If any of the information contained in this policy is not clear, please contact the firm that arranged **your** insurance with **us** or the **scheme administrator**.

About Your Policy

In this section we set out a short summary of **Your Policy** to help **You** understand:

- what the **Policy** covers and does not cover
- who is involved in providing the **Policy**
- when the cover under the **Policy** begins and ends
- who pays the **Premium** and when
- what **You** need to do if **You** want to cancel the **Policy**
- what **You** need to do if **You** have a claim
- what **You** will receive if **You** make a claim
- what **You** need to do if **You** want to make a complaint
- what to do if **You** need help or further information

Where we use words in bold with initial capital letters, the words have the meaning set out in the DEFINITIONS section on page 3.

The meanings of these words are very important to understanding how Your Policy works.

This summary is for Your information only and does not contain the full terms of the Policy. The full terms of the Policy are set out in the main sections of this Policy document.

What the policy covers and does not cover

The **Policy** covers four kinds of risk:

- Pre-completion
- Buyer's Deposit risk during the **Construction Works** (see Section 1 for full details)
- Post-completion
- Major Structural Damage risk for Buying off plan, Completed homes, Selfbuilds or for an **COMMERCIAL PROPERTY** (see Section 2 for full details); and
- Contamination risk for all Buying off plan, Completed homes and SelfUbuilds (see Section 3 for full details).

The **Policy** does not cover:

- damage to Your property not caused by defects or contamination (for example fire, storm, flood, collision damage) legal liabilities that You may have to third parties arising out of the use or ownership of the Residential Property or **COMMERCIAL PROPERTY**.
- any defects discovered by or known to You prior to the purchase of the Residential Property or **COMMERCIAL PROPERTY**;
- other general exclusions set out in the GENERAL EXCLUSIONS section of this Policy

Who is involved in providing the policy

The following are involved in providing the **Policy**:

- the Developer. The Developer is a Member of the Construction Register maintained by Advantage. The Developer pays the Premium for the Policy;
- Advantage maintains the Construction Register and is the Technical Controller for the Insurer. It issues the Pre-completion Insurance Certificate and Post Completion Insurance Certificate which start the cover on the Policy (see below);

- the Scheme Administrator. The Scheme Administrator, Steve Wassell Insurance Management Limited, is the agent of the Insurer and manages this Policy for the Insurer; and
- the Insurer. The Insurer, Casualty & General Insurance Company (Europe) Limited, provides the cover under the Policy and is responsible for paying any claims under the Policy.

Who pays the premium to whom and when

The Developer must pay the Premium to Advantage before Advantage issues the Pre-completion Insurance Certificate and Post-completion Insurance Certificate that start the cover under the Policy. Advantage passes the premium to the Insurer.

Definitions

Wherever any of the following words or phrases is printed in bold with initial upper case letters in the Policy, it will have the meaning set out below. If a word or phrase is printed with an initial lower case letter and does not appear in bold, it is not intended to have the meaning set out below.

ADJUSTED PREMIUM

An increased amount of premium which the Insurer may require the Developer to pay (or a decreased amount of premium which the Insurer may repay to the Developer) at any time if:

- the Insurer becomes aware that facts on which it based Initial Premium are, in its reasonable view, materially inaccurate, materially incomplete or materially changed
- the facts which are inaccurate or changed are, in its reasonable view, material considerations in the pricing of the Premium, which facts may include but are not limited to:
 - the contract value of the Construction Works including its land value; and
 - the reinstatement value of the Residential Property or Commercial Property.

BUILDER

Any person, sole trader, partnership or company who constructs the Residential Property or Commercial Property.

BUILDING REGULATIONS

The building regulations that govern the construction of the Residential Property or Commercial Property which were in force at the time the Notice to Build was deposited with the local authority i.e. regulations made under the Building Act 1984, the Building (Scotland) Act 2003, the Building Regulations (Northern Ireland) Order 1979, or similar legislation that applies to the construction of Your Residential Property or Commercial Property.

COMMERCIAL PROPERTY

The building or ensemble described in the Pre-completion Insurance Certificate and Post-completion Insurance Certificate comprising (when complete):

- the Structure
- all non-load bearing elements, fixtures and fittings for which You are responsible; any Common Parts relating to boundary walls forming part of or providing access for the disabled;
- the drainage system within the perimeter of such property for which You are responsible
- any garage or other permanent building.

It does not include, and You will have no insurance cover, for, 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

COMMON PARTS

Those parts of a multi-ownership building or multi-ownership owned by a single (of which the Residential or COMMERCIAL PROPERTY is part), for a common or general use, for which You have joint ownership or legal responsibility.

CONSTRUCTION REGISTER

The register of Members maintained by Advantage, which includes the Developer.

CONSTRUCTION WORKS

Construction works that fall under the cover the Policy as indicated in the Policy Documents.

CONTAMINANT/CONTAMINATION

Any substance which is or may become harmful to persons or buildings, including substances which are corrosive, explosive, flammable, radioactive or toxic/the presence of such a substance or substances.

Advantage

Advantage is a trading style of AHCI Limited a company incorporated in England and Wales under company number 09135644 and has a registered address of Advantage House, 110 Mere Grange, St Helens, WA9 5GG and is an Appointed Representative of Build Secure Ltd who is registered in England and Wales company number 13751832 registered address Finchale House, Belmont Business Park, Durham, DH1 1TW. Build Secure Ltd is authorised and regulated by the Financial Conduct Authority under Firm Reference Number 983231.

Advantage TECHNICAL REQUIREMENTS

The procedural design and construction requirements of Advantage in force at the date on which documentation dealing with the Construction Works was submitted to the local authority pursuant to the Building Regulations. The Advantage Technical Requirements will include but will not be restricted to:

the requirements of the Building Regulations the requirement that the design and specification shall provide for satisfactory performance requirement that all materials, products and building systems shall be suitable for their intended purpose.

DAMAGE

Damage caused by Defect.

DEFECT

A failure to comply with a functional requirement in the Advantage Technical Requirements in respect of the Construction Works which will or is likely to cause damage to the Residential Property or COMMERCIAL PROPERTY. (Failure to follow the performance standards or guidance supporting the functional requirements will not in itself amount to a Defect as it may be possible to achieve the recommended performance in other ways).

DEPOSIT

The Deposit paid by You to the Developer to reserve the Residential Property or Commercial Property and pre-payments made under Your contract with the Developer.

DEVELOPER

The Developer recorded on the Pre-completion Insurance Certificate and Post-completion Insurance Certificate. A Member of the Construction Register who is either:

- a) Any person, sole trader, partnership or company with whom You have entered into an agreement or contract to purchase the Residential Property or Commercial Property on either a freehold, leasehold, Scottish title or commonhold, or;
- b) Any person, sole trader, partnership or company that constructs the Residential Property or Commercial Property and with whom You have entered into an agreement or contract to purchase on either a freehold, leasehold, Scottish title or commonhold.

DISPUTE RESOLUTION PROCESS

The process set out in the Construction Register members rules by which the Developer is required promptly, fairly and professionally to: investigate, assess and resolve any notification from You of Damage or Defect during the first two years of the Structural Damage and Contamination Insurance Period. Cooperate with the building surveyor appointed by Advantage to resolve a dispute between You and the Developer about the investigation, assessment and resolution of such a notification, carry out any repair and rectification work determined by the building surveyor to repair the Damage and/or rectify the Defect.

EXCESS

The initial amount relating to each and every claim which the Insurer has no liability for under this policy and which You must yourself pay before any settlement is made by the Insurer, and which: is specified in the Post-completion Insurance Certificate and index-linked in accordance with the House Re-building Cost index prepared by the Royal Institution of Chartered Surveyors on each anniversary date of the commencement of the period of insurance.

FRAUD

The offences set out in section 1 of the Fraud Act 2006 and section 17 of the Theft Act 1968 and Theft Act (Northern Ireland) 1969 (in England and Wales and Northern Ireland) and the common law offences of fraud, uttering and embezzlement (in Scotland), the offence of fraudulent trading in section 993 of the Companies Act 2006, and offences in the Consumer Protection from Unfair Trading Regulations 2008.

INITIAL PREMIUM

The premium notified by Advantage to the Developer in its Quotation.

INSOLVENT/INSOLVENCY

A Developer is insolvent/subject to an insolvency procedure when:

- An order is made or a resolution is passed for the winding-up, administration or bankruptcy of the Developer (except for the purposes of solvent amalgamation or reconstruction previously approved by the Insurer in writing) or
- A liquidator, trustee, administrator, administrative receiver, receiver, manager, supervisor, trustee in bankruptcy or similar official is appointed over the whole or any part of the assets of the Developer, or the Developer or the directors of the Developer request any person to appoint any of the same or
- A notice of appointment or a notice of intention to appoint an administrator under Schedule B1 to the Insolvency Act 1986 is issued by the Developer or its directors.

INSURER

Casualty & General Insurance Company (Europe) Limited is registered in Gibraltar (Reg. No. 89400) with a registered address at 6A Queensway, Gibraltar. It is authorised by the Gibraltar Financial Services Commission and subject to limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority under the Financial services Registration number 230920.

LIMIT OF INDEMNITY

The maximum amount that the Insurer will pay for any claim. The liability of the Insurer in respect of Sections 2 and 3 shall not exceed the amounts shown on the Post completion Insurance Certificate or the Limits of Indemnity as detailed within this policy, whichever is the lesser.

The Limit of Indemnity is index linked in accordance with the House Rebuilding Cost index prepared by the Royal Institution of Chartered Surveyors on each anniversary date of the commencement of the period of insurance under Sections 2 and 3.

MAJOR DAMAGE

Any of the following which is discovered and notified to the Insurer during the Structural Damage and Contamination Insurance Period:

- Destruction of or physical damage to a load bearing element of the Residential Property or COMMERCIAL PROPERTY caused by a defect in the design, workmanship, material or components of the Structure which adversely affects either the structural stability of the Residential Property or compromises the effectiveness of the waterproofing elements of the Waterproofing Envelope; or

- A condition requiring immediate remedial action to prevent damage to a load bearing element of the Residential Property which adversely affects either the structural stability of the Residential or COMMERCIAL PROPERTY or compromises the effectiveness of the waterproofing elements of the Waterproofing Envelope; or
- A condition requiring immediate remedial action to prevent imminent danger to the health and safety of the occupants caused by a defect in the design, workmanship, material, components of the Structure or failure of the Developer to comply with Building Regulations in respect of chimneys and flues[which is discovered and notified to the Insurer during the Structural Damage and Contamination Insurance Period.

MEMBER

A member of the Construction Register. A person whose application for membership has been accepted by Advantage and who has agreed to comply with the rules in the Construction Register Membership Terms and Conditions Handbook.

NOTICE TO BUILD

Either:

- a "Full Plans application " or "Building Notice" given to the relevant Local Authority; or
- an "Initial Notice" given by an Approved Inspector to the Local Authority.

NOTIFICATION OF THE IDENTIFICATION OF CONTAMINATED LAND

Notification given by an enforcement authority in writing to the owner of land and others that land has been identified as being contaminated land.

QUOTATION

The form in which Advantage notifies the Developer of the Initial Premium.

QUOTATION ACCEPTANCE

The form in which the Developer notifies Advantage that the Quotation is acceptable.

REMEDICATION NOTICE

A notice served by an enforcement body under Part II (A) of the Environmental Protection Act 1990 or Part III of the Waste and Contaminated Land (Northern Ireland) Order 1997 (or under any equivalent legislation of the Isle of Man, or any consolidating, amending or replacement legislation) requiring You to carry out remediation of Contamination.

POLICY

This document.

POLICY DOCUMENTS

The documents issued by or on behalf the Insurer in relation to the Policy, that is:

The Policy document

The Pre-completion Insurance Certificate

The Post-completion Insurance Certificate

POLICYHOLDER

You:

The person or corporate or their successor which enters into a contract with a Developer to construct a COMMERCIAL PROPERTY, The buyer or owner of the COMMERCIAL PROPERTY acquiring or having a freehold, leasehold, Scottish title or common hold interest in the COMMERCIAL PROPERTY or their successor in title, any mortgagee or lessor whose interest has been noted under the Policy.

PRE-COMPLETION INSURANCE CERTIFICATE

The certificate issued by Advantage as Technical Controller on behalf of the Insurer to signify acceptance of Your Deposit for insurance under Section 1 of the Cover section of the Policy.

POST-COMPLETION INSURANCE CERTIFICATE

The certificate issued by Advantage as Technical Controller on behalf of the Insurer to signify acceptance of Your Residential Property or COMMERCIAL PROPERTY for insurance under Sections 2 and 3 of the Cover section of the Policy following the notification of satisfactory practical completion by the appointed building inspector.

PREMIUM

The Initial Premium and any Adjusted Premium.

RESIDENTIAL PROPERTY

The single dwelling described in the Pre-completion Insurance Certificate and Post-completion Insurance Certificate comprising (when complete):

- the Structure
- all non-load bearing elements, fixtures and fittings for which You are responsible;
- any Common Parts relating or boundary walls forming part of or providing access for the
- disabled;
- the drainage system within the perimeter of such property for which You are responsible;
- any garage or other permanent out-building.

It does not include, and You will have not insurance cover for, any swimming pool, temporary structure, freestanding 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.

SCHEME ADMINISTRATOR

Advantage is a trading style of AHCI Limited a company incorporated in England and Wales under company number 09135644 and has a registered address of Advantage House, 110 Mere Grange, St Helens, WA9 5GG and is an Appointed Representative of Build Secure Ltd who is registered in England and Wales company number 13751832 registered address Finchale House, Belmont Business Park, Durham, DH1 1TW. Build Secure Ltd is authorised and regulated by the Financial Conduct Authority under Firm Reference Number 983231.

SITE

The area within the boundary of the **Residential Property** or **COMMERCIAL PROPERTY**.

STRUCTURE

The following elements shall comprise the **Structure** of the **Residential Property** or **COMMERCIAL PROPERTY**:

- 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.

STRUCTURAL DAMAGE AND CONTAMINATION INSURANCE PERIOD

The period expiring on the date 10 years from the date specified as the Structural Damage and Contamination Insurance Start Date in the Post-completion Insurance Certificate for the Residential Property or COMMERCIAL PROPERTY.

STRUCTURAL DAMAGE AND CONTAMINATION INSURANCE START DATE

The date stated as the Structural Insurance and Contamination Insurance Start Date in the Post-completion Insurance Certificate

TECHNICAL CONTROLLER

Advantage. The company appointed by the Insurer to review documentation, carry out inspections and monitor compliance with Advantage Technical Requirements on its behalf as pre-condition to giving Pre-completion Insurance Certificates and Post-completion Insurance Certificates.

WATERPROOFING ENVELOPE

Waterproofing Envelope shall mean the ground floors, external walls, roofs, skylights, windows and doors of the Residential Property or Commercial Property but excluding those parts below ground floor or slab level, except where especially accepted by Advantage as an inclusion within this property. This would be subject to formal approval by Advantage's inspection team.

YOU/YOUR

You, the Policyholder:

The person or corporate entity or their successor reserving the Residential Property or Commercial Property from the Developer (see policy holder)

The buyer or owner of the Residential Property or COMMERCIAL PROPERTY acquiring or having a freehold, leasehold, Scottish Title or Common hold interest in the Residential Property or COMMERCIAL PROPERTY or their successor in title, any mortgagee or lessor whose interest has been noted under the Policy.

THE PREMIUM AND INSURANCE CONTRACT

This Policy is a contract of insurance between You and the Insurer.

In return for the Developer paying the Premium, the Insurer will provide the cover shown on Your Policy Documents on the terms and conditions of this Policy booklet.

The **Developer** must pay:

- the Initial Premium to Advantage when it gives its Quotation Acceptance to Advantage; and
- any Adjusted Premium to Advantage on demand.

If the **Developer** does not pay the **Initial Premium**:

- Advantage will not issue the Pre-completion Insurance Certificate; and
- You will not be covered under the Policy.

If the **Developer** pays the **Initial Premium** but does not pay any **Adjusted Premium** required by the **insurer**:

- Advantage will not issue the PostHcompletion Insurance Certificate, if that has not yet happened and/or
- You will be covered under Section 1 of the Cover below, but not Sections 2 and 3.

Advantage will receive the Premium as agent of the Insurer, hold the Premium as agent for the Insurer, and will pay the Premium to the Insurer.

The Developer must comply with Advantage's requirements as Technical Controller before it will issue the Post-completion Insurance Certificate.

If the Developer does not comply with Advantage's requirements, the Insurer will not issue a Post-completion Insurance Certificate and you will not be covered under Sections 2 and 3 of the Policy.

THE COVER

SECTION 1

DEPOSIT PROTECTION COVER FOR BUYING OFF PLAN

WHEN DOES THIS COVER APPLY

This cover applies when **Advantage** has given You a **Pre-completion Insurance Certificate** and:

- You have paid a Deposit(s) to the Developer
- You find out that the Developer has since become Insolvent or has since committed a Fraud on You
- the Developer has either not yet started or not yet completed the Construction Works[and
- You cannot recover the Deposit(s) in full or in reasonable time because of the Developer's Insolvency or Fraud.

WHAT THE INSURER WILL COVER

If the Developer has not started the Construction Work, the Insurer will pay the unrecovered value of Your Deposit to You

If the Developer has started but not completed the Construction Work, the Insurer will choose whether to:

- pay the unrecovered value of Your Deposit to You; or
- pay the reasonable extra cost above the contract price of completing the Construction Works to the Advantage Technical Requirements to You; or
- arrange for the completion of the Construction Works to the Advantage Technical Requirements at its own cost.

Please note that the Insurer will be entirely free to decide which one of those three options to choose

WHEN CAN YOU MAKE A CLAIM

You can only make a claim under this section of cover:

- when the all four of the bullet points in "When does this cover apply" have happened; and
- during the 24 months period after the date of the PreHcompletion Insurance Certificate

WHAT THE INSURER WILL NOT COVER

The **Insurer** will not cover:

- Any claim notified to it more than 24 months after the date of the Pre-completion Insurance Certificate
- Any claim on a Policy for which Deposit cover is specifically excluded in the Pre-completion Insurance Certificate
- Any loss from Insolvency of Fraud happening before the date of the Pre-completion Insurance Certificate
- Anything not included in Your contract with the Developer
- Any part of the Deposit(s) that You have withheld, retained or received due to any circumstance
- Any registration fee, administration fee or booking fee paid by You
- Any work done without Advantage's written authorisation
- Anything for which You have withheld payment to the Developer
- Any cost, loss or liability for which You are eligible to receive compensation under any legislation or statutory compensation scheme, or for which You are covered by any other Insurance Policy
- Any reduction in the value of the Residential Property or COMMERCIAL PROPERTY.
- Any professional fees
- Anything concerning which the Insurer or the Developer has made a payment to the purchaser or You or a previous owner of the property in settlement of any claim or complaint.
- Any costs due to Your unreasonable delay in pursuing a claim.

The **Insurer** will also not cover:

- anything set out in the GENERAL EXCLUSIONS section of this Policy
- any claim in which You have not complied with the conditions set out immediately below.

WHAT CONDITIONS APPLY TO THIS COVER

The following conditions apply to this cover:

You must:

- notify the Insurer in writing as soon as You believe the Developer might be Insolvent or committed Fraud on You, or may not complete the property in accordance with the contract
- give the Insurer any evidence You have that the Developer may be Insolvent, may have committed Fraud on You or may not complete the Construction Works obtain the Insurer's written agreement before You take any action to have work done on the property
- send the Insurer any additional information it may request relating to the property, which may include copies of correspondence, notes of telephone conversations, contracts, plans, quotations, receipts or any other information which may be pertinent to the Insurers assessment of a claim.
- The GENERAL CONDITIONS also apply to cover under this section.

SECTION 2

STRUCTURAL DAMAGE COVER FOR BUYING OFF PLAN, COMPLETED HOMES AND SELF-BUILD OR COMMERCIAL PROPERTIES

WHEN DOES THIS COVER APPLY

This cover applies when **Advantage** has given You a **Post-Completion Insurance Certificate** and:

- Your Residential Property or COMMERCIAL PROPERTY has been affected by Major Damage
- You make a claim within the 10 year Structural Damage and Contamination Insurance Period

BUT if the Major Damage arises in the first two years of the Structural Damage and Contamination Insurance Period, this cover only applies if: You have notified Advantage and the Developer of the Major Damage;

- the Developer has not repaired all the Major Damage or has not paid for the reasonable cost of removal and storage of your possessions and for alternative accommodation, if that is necessary while this work is being done;
- You have used the Dispute Resolution Process and any of the following apply:
 - the Developer has not co-operated with the Dispute Resolution Process; or
 - the Developer has become Insolvent.

Please note that "Co-operate with Dispute Resolution Process" means responding to the claim within a reasonable time period accepting the decision of a building surveyor and carrying out the works or repairs recommended in the building surveyor's report, within the time stipulated.

WHAT THE INSURER WILL COVER

The **Insurer** will cover:

- the complete or partial rebuilding of or rectifying work to the Residential Property or COMMERCIAL PROPERTY which has been affected by Major Damage during the Structural Damage and Contamination Insurance Period up to the reasonable cost of rebuilding of the COMMERCIAL PROPERTY to its original specification.
- the Automatic Extensions of Cover in the section below.

WHEN CAN YOU MAKE A CLAIM

You can only make a claim under this section of cover during the Structural Damage and Contamination Insurance Period.

You can only make a claim for Major Damage arising within the first two years of the Structural Damage and Contamination Insurance Period, if you have used the Dispute Resolution Process and taken the steps set out in the second bullet point of "When does this cover apply"

WHAT THE INSURER WILL NOT COVER

The Insurer will not cover:

- the Excess shown in the Post-completion Insurance Certificate
- anything set out in the GENERAL EXCLUSIONS section of this Policy
- anything above the Limit of Indemnity
- damage to Your property not caused by latent defects (for example fire, storm, flood, collision damage)
- anything not claimed within the 10 year Structural Damage and Contamination Insurance Period
- Major Damage arising in the first two years of the Structural Damage and Contamination Insurance Period, unless you have used the Dispute Resolution Process and taken the steps set out in the second bullet point

of "When does this cover apply"

WHAT CONDITIONS APPLY TO COVER UNDER THIS SECTION

the Insurer may settle a claim under this section by:

- paying the cost of repairing, replacing or rectifying any Major Damage covered by this section or
- itself arranging to have such Major Damage repaired, replaced or rectified.
- The GENERAL CONDITIONS apply to cover under this section.

SECTION 3

CONTAMINATION COVER FOR BUYING OFF PLAN, COMPLETED HOMES AND SELF-BUILD

WHEN DOES THIS COVER APPLY

This cover applies when Advantage has given You a Post-completion Insurance Certificate and:

Your Residential Property or COMMERCIAL PROPERTY has been affected by Contamination and You make a claim within the 10 year Structural Damage and Contamination Insurance Period.

BUT if a Notification of the Identification of Contaminated Land is issued to You in the first two years of the Structural Damage and Contamination Insurance Period, this cover only applies if:

You have notified Advantage and the Developer of the Contamination the Developer has not removed or contained all the Contamination or has not paid for the reasonable cost of removal and storage of your possessions and for alternative accommodation, if that is necessary while this work is being done You have used the Dispute Resolution Process and

any of the following apply:

- the Developer has not co-operated with the Dispute Resolution Process or
- the Developer has become Insolvent.

Please note that "Co-operate with Dispute Resolution Process" means responding to the claim from You within a reasonable time period[accepting the decision of a building surveyor and carrying out the works or repairs recommended in the building surveyor's report, within the time stipulated.

WHAT THE INSURER WILL COVER

The Insurer will cover Your costs of removal or containment of Contaminants in the ground where all of the following pre-conditions apply:

the Contaminants were known to be harmful and known to exist on the Site at the time the Notice to Build was given to the Local Authority and the removal or containment of the known Contaminants was part of the original Site preparation scheme and the relevant enforcement body has issued You with a Notification of the Identification of Contaminated Land and either:

- the relevant enforcement body has issued You with a Remediation Notice requiring You to remove or contain the Contaminants or
- the Insurer reasonably considers that You are responsible for the removal or containment of the Contaminants.
- The Insurer will also cover the Automatic Extensions of Cover in the section below

WHEN CAN YOU MAKE A CLAIM

You can only make a claim under this section of cover at any time during the Structural Damage and Contamination Insurance Period.

If the Notification of the Identification of Contaminated Land is issued to You within the first two years of the Structural Damage and Contamination Insurance Period, You can only make a claim if you have used the Dispute Resolution Process and taken the steps set out in the second bullet point of "When does this cover apply".

WHAT THE INSURER WILL NOT COVER

The Insurer will not cover any claim:

- in which one or more of the pre-conditions in the first bullet point of "What the Insurer will cover" do not apply.
- in connection with contamination outside the boundary of the Site or

- in connection with contamination that migrates on to the Site or
- in connection with contamination that migrates from the Site or
- for anything that was not considered to be harmful at the time the Notice to Build was given to the Local Authority but is later considered to be harmful or
- in respect of contaminants or contamination at the Site not identified prior to the Notice to Build being given to the Local Authority or
- for anything that arises out of a change of legislation or definition of contamination or harmful material that occurs after the date of Notice to Build was given to the Local Authority or
- for any work which the Insurer considers that You are not responsible to carry out in connection with ionising radiation.

The Insurer will also not cover:

- the Excess shown in the Post-completion Insurance Certificate
- anything set out in the GENERAL EXCLUSIONS section of this Policy
- anything not claimed within the 10 year Structural Damage and Contamination Insurance Period
- Contamination subject to a Notification of the Identification of Contaminated Land issued to You within the first two years of the Structural Damage and Contamination Insurance Period, unless you have used the Dispute Resolution Process and taken the steps set out in the second bullet point of "When does this cover apply".

WHAT CONDITIONS APPLY TO THIS COVER

The following conditions apply to cover under his section:

the Insurer may settle a claim under this section by

- paying the cost of removal or containment of the Contaminants or.
- itself arranging for the removal or containment of the Contaminants.

The GENERAL CONDITIONS apply to cover under this section.

AUTOMATIC EXTENSIONS OF THE COVER

In addition, in the event of a claim under Sections 2 and 3 of this policy, the Insurer will, with their prior written consent, and at terms and conditions to be agreed with the Insurer, pay within the Limit of Indemnity the following:

1. ADDITIONAL COSTS

Such additional costs and expenses as are necessarily and reasonably incurred by You solely in order to comply with Building Regulations or Local Authority or other Statutory Provisions, provided that the Insurer shall not be liable for those costs that would have been payable by You in the absence of the discovery of a valid claim under the Policy.

2. ALTERNATIVE ACCOMMODATION COSTS

Such additional costs and expenses as are necessarily and reasonably incurred by You for a period not exceeding 26 weeks in respect of removal, storage and alternative accommodation whilst the Residential Property or Commercial Property is uninhabitable.

3. FEES

Such Architects', Surveyors', Legal, Consulting Engineers', and other fees as are necessarily and reasonably incurred by You in relation to the complete or partial rebuilding or rectifying work to the Residential Property or COMMERCIAL PROPERTY but shall not include costs or fees incurred by You in investigating and/or preparing a claim without the Insurer's prior written consent to such costs being incurred

4. REMOVAL OF DEBRIS

For Residential Property and COMMERCIAL PROPERTY the necessary and reasonable cost and expenses incurred by You in respect of:

- a) removal of debris from and/or
- b) dismantling or demolishing of and/or
- c) shoring up of, the Residential Property and COMMERCIAL PROPERTY.

Automatic Extensions of cover will only be operative if shown on the Certificate.

GENERAL EXCLUSIONS

These exclusions apply to all sections of the Policy.

The Insurer will not cover:

legal liabilities that You may have to third parties arising out of the use or ownership of the Residential Property or COMMERCIAL PROPERTY.

any defects discovered by or known to You prior to the purchase of the Residential Property or COMMERCIAL PROPERTY]

1. ALTERATIONS

Loss or damage due to or arising from any alteration, modification or addition to the Residential Property or COMMERCIAL PROPERTY after the issue of the Post-completion Insurance Certificate.

2. CHANGE IN COLOUR

Any change in colour, texture, opacity or straining or other ageing process to any element of the Residential Property or COMMERCIAL PROPERTY.

3. CONSEQUENTIAL LOSS

Consequential loss of any description whatsoever except as expressly provided for under this policy.

4. DEFECTS IN EXISTING WORKS

Loss or damage due to or arising out of any defect in the design, workmanship, materials or components of the Residential Property or COMMERCIAL PROPERTY that was installed or constructed prior to the Construction Works [that are the subject of this insurance].

5. HUMIDITY

Loss or damage caused by or consequent upon humidity in the Residential Property or COMMERCIAL PROPERTY 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 Waterproofing Envelope of the Residential Property or COMMERCIAL PROPERTY.

6. MAINTENANCE AND USE

Inadequate maintenance of or abnormal use of the Residential Property or the imposition of any load greater than that for which the Residential Property was designed or the use of the Residential Property for any purpose other than that for which it was designed.

7. PERSONAL INJURY

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

8. PRIOR KNOWLEDGE

Anything which would constitute a valid claim under the policy and about which You were aware of or should have been aware of prior to purchasing the Residential Property or COMMERCIAL PROPERTY.

9. RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIOCHEMICAL AND ELECTROMAGNETIC WEAPONS

Loss, damage, liability or expenses directly or indirectly caused by or contributed to by or arising from:

9.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

9.2 the radioactive, toxic, explosive or other hazardous or contamination properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

9.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive

force or matter

9.4 the radioactive, toxic, explosive or other hazardous or contamination 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 purpose.

9.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

10. REASONABLENESS

In the event of a valid claim under the policy, the Insurer shall only be responsible for reasonable costs and expenses. Whenever possible if items can be found to match existing at a reasonable cost the Insurer will endeavour to facilitate this. However the Insurer will have no liability and will not be responsible for any additional costs if a similar match is not possible at a reasonable cost.

11. SEEPAGE

Loss or damage caused by seepage of water into the Residential Property or COMMERCIAL PROPERTY insured below ground floor slab level.

12. SETTLEMENT

Loss or damage caused by or consequent upon normal settlement or bedding down of the Residential Property or COMMERCIAL PROPERTY.

13. SONIC BANGS

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

14. 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 dropping therefrom, escape of water from tanks, apparatus or pipes, malicious persons, theft, attempted theft, impact or any accidental cause.

15. 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 design, workmanship, materials or components of the Structure of the Residential Property or COMMERCIAL PROPERTY.

Loss or damage caused by any instance of subsidence relating to adverse ground conditions where a full Ground Condition Report has not been provided to, and accepted by Advantage Management Limited during its underwriting review.

16. 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.

17. VERMIN

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

18. WAR AND TERRORISM RISKS

Any claim whatsoever in respect of loss, damage or liability directly or indirectly occasioned by, happening through or in consequence of war, invasion, any act of terrorism, 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.

19. WATER TABLE

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

20. WEAR AND TEAR

Loss or damage caused by or attributable to:

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

21. WILFUL ACTS

Any wilful neglect or criminal act of You or any other party.

GENERAL CONDITIONS

These conditions apply to all sections of the Policy.

1. CONTRIBUTION

If at the time of any occurrence giving rise to a claim or potential claim under this policy

- a) there is, or would but for the existence of this insurance, be any other insurance applicable or
- b) You have entitlement to any statutory damages or compensation, the policy shall be limited to any amount in excess of such insurance, damages or compensation.

2. FRAUD

If any claim notified under this policy shall be in any respect fraudulent, or if any fraudulent means or devices are used by You, or anyone acting on its behalf, to obtain benefit under this insurance, all benefit hereunder shall be forfeited.

3. INDEX LINKING

The Limit of Indemnity and Excess referred to within this policy will be increased in line with the House Re-building Cost Index prepared by the Royal Institution of Chartered Surveyors or the RIBA SPONS index on each anniversary date of the commencement of the period of insurance under Sections 2 and 3 of this policy.

For the purpose of settlement of any claim hereunder the Limit of Indemnity, as adjusted in accordance with the foregoing provision shall be regarded as the Limit of Indemnity at the time of discovery by You of such claim.

4. INSURER'S RIGHTS

In the event of any occurrence which may give rise to a claim under this policy and which has been notified to the Insurer, the Insurer and its agents shall, with the permission of You, be entitled to enter the Residential Property or COMMERCIAL PROPERTY. This will be in order to investigate, and if provided for under the policy, carry out proper repairs or the complete or partial rebuilding of the Residential Property or COMMERCIAL PROPERTY to the Insurer's satisfaction. For the avoidance of doubt, where reasonable access cannot be gained to the Residential Property or COMMERCIAL PROPERTY within a reasonable period of time, no claim shall be accepted.

5. MISREPRESENTATION

This policy will be voidable from the commencement date of this policy in the event of any misrepresentation, misdescription, error, omission or non-disclosure by the Developer or You.

6. RECOVERIES FROM THE DEVELOPER, BUILDER AND OTHER THIRD PARTIES

The Insurer is entitled and You give consent to the Insurer to control and settle any claim and to take proceedings at its own expense but in the name of You to secure compensation from the Developer, Builder and any third party in respect of any claim accepted by the Insurer under this policy. You agree to assist the Insurer in such a request for recovery of its outlay in such circumstances.

7. 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 of remedy of a third party which exists or is available apart from the Act.

LIMITS ON WHAT THE INSURER WILL PAY

The maximum amount the Insurer will pay for any all claims under the various Sections of the policy (the Limit of Indemnity) is as follows:

SECTION 1 - DEPOSIT AND PREHPAYMENT PROTECTION COVER

The aggregate liability of the Insurer for all claims relating to the property under this section, taken together, will be limited to the amount stated in the Certificate.

SECTION 2 - STRUCTURAL DAMAGE COVER

The amount stated in the Post-completion Insurance Certificate, but which in all cases shall not exceed:

£5,000,000 for any one Residential Property or COMMERCIAL PROPERTY or the rebuilding cost for the Residential Property or COMMERCIAL PROPERTY whichever is the lesser.

£5,000,000 for all Residential Properties or COMMERCIAL PROPERTY in one continuous Structure or the rebuilding cost for the Residential Properties or COMMERCIAL PROPERTIES whichever is the lesser.

The limits for Section 2 are index-linked in accordance with GENERAL CONDITION 3 of the Policy.

SECTION 3 - CONTAMINATION COVER

The amount stated in the Post-completion Insurance Certificate, but which in all cases shall not exceed:

£5,000,000 for any one Residential Property or COMMERCIAL PROPERTY the remedial costs for the Residential Property or COMMERCIAL PROPERTY whichever is the lesser.

£5,000,000 for all Residential Properties or COMMERCIAL PROPERTIES in one continuous Structure or the remedial costs for the Residential Properties or COMMERCIAL PROPERTIES whichever is the lesser.

Where the combined value of all Residential Properties within a continuous Structure or on a Site exceeds £5,000,000 the total amount payable in respect of all claims in relation to the Residential Properties or COMMERCIAL PROPERTIES, the Site and the continuous Structure shall not exceed £5,000,000.

The limits for Section 3 are index-linked in accordance with GENERAL CONDITION 3 of the Policy.

COMMON PARTS

The maximum the Insurer will pay for any one claim relating to Common Parts will be the amount that You have a legal liability to contribute towards the cost of repairs, rectification or rebuilding works.

All claims are subject to the Limits of Indemnity for the individual Sections detailed above and the Excess as detailed in the Post-completion Insurance Certificate.

THE LAW THAT APPLIES TO THIS POLICY

The law of England and Wales will apply to this contract unless:

- a) You and the Insurer agree otherwise; or
- b) at the date of the contract You are a resident of (or, in the case of a business, the registered office or principal place of business is situated in) Scotland, Northern Ireland, Channel Islands or the Isle of Man, in which case (in the absence of agreement to the contrary) the law of that country will apply.

YOUR RIGHT TO CANCEL AND HOW TO DO SO

You have the right to cancel the Policy and get a full refund of the Premium if all of the following apply:

You are a Commercial customer and
You are the Developer or the first Policyholder after the Developer and
You notify us within 14 days of You first receiving the Policy Documents.

If You wish to cancel the Policy, please tell Advantage or the Scheme Administrator in writing (by email or letter). Please see the IMPORTANT CONTACTS section for details.

If You choose to cancel this Policy after the 14 days, no refund of premium will be paid.

Before cancelling the Policy 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 cancel this insurance your ability or that of any future owners to purchase Structural Damage cover is materially more difficult when a building is completed. Please remember also that if You sell the Residential Property or COMMERCIAL PROPERTY within the period of the insurance, cancellation could affect the ability of any subsequent purchaser to obtain a mortgage. Please check any covenants with lenders to whom you have pledged this COMMERCIAL PROPERTY as this maybe a condition of your loan.

If Your Residential Property or COMMERCIAL PROPERTY includes Common Parts for which You are jointly responsible with owners of other Residential Property or COMMERCIAL PROPERTIES, your cancellation will apply to both the cover on Your individual Residential Property or COMMERCIAL PROPERTY 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.

HOW TO MAKE A CLAIM

On the discovery of any occurrence of circumstance that may possibly give to a potential claim under any section of this policy, You shall as soon as reasonably possible:

1. Take all responsible immediate steps to prevent any further loss or damage.
2. Give written notice to Advantage at:

Advantage
Advantage House
110 Mere Grange
St Helens
WA9 5GG

submitting full details of the claim and supply all correspondence, reports, plans, certificates, specifications, quantities, information and assistance as may be required to verify the claim. Where the Insurer subsequently accepts the claim, the Insurer will reimburse the reasonable expenses incurred in obtaining such reports.

HOW TO MAKE A COMPLAINT

COMPLAINT ABOUT ADVANTAGE

If You are dissatisfied with Advantage as Technical Controller, you should complain to:

Advantage
Advantage House
110 Mere Grange
St Helens
WA9 5GG

In order for them to deal with Your complaint as quickly as possible, can You please ensure You quote Your Pre-completion Insurance Certificate or Post-completion Insurance Certificate Number and provide as much detail as possible regarding the matter You wish them to investigate.

COMPLAINT ABOUT THE INSURER AND/OR SCHEME ADMINISTRATOR

If You are dissatisfied with the service provided by the Insurer and/or Scheme Administrator, you should complain to:

The Insurer directly at:

Casualty & General Insurance Company (Europe) Limited
6A Queensway,
Gibraltar

Please quote Your Pre-completion Insurance Certificate or Post-completion Insurance Certificate number and the reasons why You feel dissatisfied.

YOUR RIGHT TO REFER YOUR COMPLAINT TO FOS

If after **You** have received the final written response from **Advantage**, the **Insurer**, or **Scheme Administrator**, **You** still feel dissatisfied, **You** can refer your complaint to the Financial Ombudsman Service (FOS).

The FOS is an independent body that investigates and determines complaints about general insurance and other financial products and services. FOS's contact details are:

Post:

The Financial Ombudsman Service
Exchange Tower
London E14 9SR

Email: complaint.info@financialOmbudsman.org.uk

Consumer helplines:

0800 023 4567
0300 123 9123

GENERAL DATA PROTECTION REGULATIONS (GDPR)

The data supplied will only be used for the purposes of processing the policy of insurance, including underwriting, administration and handling any claim which may arise. The data supplied will not be passed to any other parties other than those which are mentioned. It is important that the data You have supplied is kept up to date. You should therefore notify Advantage promptly of any changes. You are entitled upon payment of an administration fee to inspect the personal data held. If You wish to make an inspection You should contact Advantage. Advantage may respond to enquiries by the Police concerning the policy in the normal course of their investigations and where it is necessary to administer the policy effectively, Advantage may disclose the data You have supplied to other parties such as solicitors, loss adjusters, insurers, engineers, repairers, replacement companies etc.

Casualty & General Insurance Company (Europe) Limited (Company No 89400) is registered in Gibraltar with a registered address as 6A Queensway, Gibraltar. It is authorised by the Gibraltar Financial Services Commission and subject to limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority. Details about the extent of its regulation by the Financial Conduct Authority and Prudential Regulation Authority are available on request.

Advantage is a trading style of AHCI Limited a company incorporated in England and Wales under company number 09135644 and has a registered address of Advantage House, 110 Mere Grange, St Helens, WA9 5GG and is an Appointed Representative of Build Secure Ltd who is registered in England and Wales company number 13751832 registered address Finchale House, Belmont Business Park, Durham, DH1 1TW. Build Secure Ltd is authorised and regulated by the Financial Conduct Authority under Firm Reference Number 983231.

AHCI Limited is registered with the Information Commissioner's Office (ICO) as a data controller and is listed on the Register of Data Controllers under registration number ZA216502. Advantage's full Privacy Notice is available at <http://ahci.co.uk/privacy-policy>

The Insuere is registered with the Gibraltar Regulatory Authority (GRA) as a data controller and is listed on the Register of Data Controllers under registration number DP012244. The insurer's full Privacy Notice is available at www.cgice.com/privacy.