

Ark Residential New Build Latent Defects Insurance

Policy Document

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Ark Insurance Group Limited is authorised and regulated by the Financial Conduct Authority and is entered on the FCA Register under reference 706598

ARK RESIDENTIAL NEW BUILD LATENT DEFECTS INSURANCE POLICY

Introduction

This Policy is arranged by Ark Insurance Group Ltd, 1410 Spring Place, Herald Avenue, Coventry Business Park, Coventry, CV5 6UB who are the **Scheme Administrators**.

Ark Insurance Group Ltd are authorised and regulated by the Financial Conduct Authority and entered on the FCA register under number 706598.

The **Insurer** is International General Insurance Company (UK) Ltd. who are registered in England and Wales (registration no. 06870207), authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority– FRN 519580. LEI No. 2138009PPGB2LQ8XZC76.

Understanding This Policy

The **Policyholder** is requested to read the whole of this Policy wording, the Certificates and any endorsements in order to understand the extent of cover. If any of the information contained in the Policy is not clear, please contact the **Scheme Administrator**.

This is a Policy of indemnity and does not provide any cover for any legal liabilities that the **Policyholder** may have to third parties arising from the use or ownership of the **Residential Property**.

The **Policyholder** can only claim under this Policy whilst the **Policyholder** is the owner of the **Residential Property**. The **Policyholder** is not entitled to make or continue a claim once they have sold or otherwise disposed of their interest in the **Residential Property**.

Technical Assessment

The **Residential Property** insured by the Policy is subject to a system of checks and inspections by the **Qualified Building Surveyors** appointed by the **Scheme Administrators**.

Qualified Building Surveyors must have completed all their inspections before the **Insurance Period Certificates** will be issued. Any site inspection or other risk control procedures adopted by the **Scheme Administrator** are solely for their benefit and do not confirm or imply that the **Residential Property** is, or will be, free of **Defects** or damage.

It is the **Policyholder's** responsibility to ensure that a thorough inspection of the **Residential Property** is carried out prior to completion of the sale. If the inspection identifies any **Defects** they should be reported to the **Developer** and remedied prior to completing the purchase. The **Insurer** will not be liable for any **Defects** discovered or known to the **Policyholder** prior to the purchase of the **Residential Property**, whether attended to or not.

The Law Applicable To This Policy

The parties to the contract of insurance shall in the absence of any written agreement to the contrary from the **Insurer** be governed by the law which applies to the part of the United Kingdom in which the **Residential Property** is situated.

Notes

1. For this Policy to be valid there must be a signed **Building Period Certificate** and/or **Insurance Period Certificate** held by the **Policyholder**. This should be kept with the Policy and must be provided at the time of any claim.
   Where **Practical Completion** of the **Residential Property** had already been achieved prior to this Policy being incepted, for this Policy to be valid there must be a signed **Insurance Period Certificate** held by the **Policyholder**.
2. Any amendments and/or alterations to this Policy, whether applied at the time of issue of the Policy and/or subsequently, will only be valid if confirmed by separate endorsements, which should be kept together with the Policy. The **Policyholder** should refer to these endorsements and the Policy together as one document ascertaining the precise cover in force at any time.

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The Right To Cancel

The **Policyholder** has the right to cancel this Policy by notifying the **Scheme Administrator** of their wish to cancel.

However no return of premium will be given unless the **Scheme Administrator** is notified within 14 days (starting on the day the **Building Period Certificate** is issued) and the **Insurance Period Certificate** has not been issued**.**

Any return premiums will only be paid to the party who originally registered the property with, and paid the premium to, the **Scheme Administrator**.

The **Policyholder** should be aware that if they choose to cancel the Policy after the 14 days or if the **Insurance Period Certificate** has been issued or if a claim has been submitted or a notification of a potential claim under any section of cover under this Policy, no refund of premium will be given.

The **Scheme Administrator's** contact details are:

Ark Insurance Group Ltd
1410 Spring Place,
Herald Avenue,
Coventry Business Park,
Coventry, CV5 6UB

Email: info@arkinsurance.co.uk

If a third party (**Builder** / **Developer**) has completed the registration process and has paid the premium, you can cancel the cover but you will not be entitled to a refund.

Before cancelling the Policy the **Policyholder** should check with their mortgage lender because they may require this cover or its equivalent as a condition of the loan. Please remember also that if the **Residential Property** is sold within the period of the insurance, cancellation of the Policy could affect the ability of any subsequent purchaser to obtain a mortgage.

If the **Residential Property** includes **Common Parts** for which the **Policyholder** is jointly responsible with owners of other **Residential Properties**, the cancellation will apply to both the cover on the **Policyholder's** individual **Residential Property** and the cover for their share of the cost of any claim relating to the **Common Parts**. So if the **Policyholder** cancels the cover, they may be obliged under the lease or title to contribute to the cost of repairs along with their neighbours.

Ark New Home Buyers Consumer Code

During the first 24 months after **Practical Completion** the **Developer** will be responsible for carrying out their obligations under the terms of **The Code**, as detailed in the enclosed document, to provide any potential purchasers with fair and reliable services and information whilst constructing, selling and providing post-sale services.

The **Developer** will be responsible for responding to, and promptly dealing with, any complaints made by a purchaser.

The **Developer** will be liable under the terms of **The Code** for any awards made against them by an independent alternative dispute resolution service provider and Ark Insurance Group Ltd reserve the right to impose sanctions on the **Developer** regarding the provision of products and services, including this Policy and **The Code**, should it be deemed that the **Developer** has acted in an improper manner.

In the event of a dispute or complaint please refer to **The Code** documents which sets out your rights and the procedures to follow.

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Consumer Insurance (Disclosure and Representations) Act 2012 and the Insurance Act 2015

You are required by the provisions of the above Acts to take care to supply accurate and complete answers to all the questions **You** were asked at the time of insuring with **Us**. It is important that **You** check **Your** records for the information **You** or anyone else on **Your** behalf have provided and notify **Us** immediately of any changes or inaccuracies in these details. Failure to provide accurate and complete information to the best of **Your** knowledge may result in increased premiums, refusal of a claim or **Your** Policy being cancelled, and may affect **Your** ability to gain insurance from other insurers.

You are also required to update **Us** with any changes to the information **You** provided at the time **You** asked **Us** to insure **you**. When **You** tell **Us** about these changes **We** may adjust the premium. If **You** do not tell **Us** about these changes or inaccuracies, this may result in refusal of a claim or **Your** Policy being cancelled, and may affect **Your** ability to gain insurance from other insurers. The changes **You** are required to notify **Us** of include, but are not limited to, the following:

- Any change in the use of the **Residential Property**;
- Any changes or alterations to materials used in the construction of the **Residential Property**;
- Any structural alterations, extensions, or conversion of/to the **Residential Property**;
- Any changes to the ground upon which the **Residential Property** stands including but not limited to the digging of any basement or installation of underground tank(s) or receptacle(s);
- Any changes or alterations to any retaining walls which could affect the structural stability of the **Residential Property.**

This is not a full list and if **You** are in any doubt **You** should advise the **Scheme Administrators,** for **Your** own protection. If **You** do not tell the **Scheme Administrators** about changes, **Your** insurance may not cover **You** fully or at all.

In the event of non-disclosure/misrepresentation that was not deliberate or reckless:

- Where a higher Premium would have been charged **We** will reduce the amount of the claim settlement proportionate to the premium **We** would have actually charged had the circumstances been disclosed.
- Where additional terms would have been imposed by **us** other than terms relating to premium, **We** will consider the insurance contract on the basis that those different terms had applied from the date of the breach of duty.
- Where **We** would not have entered into the insurance contract at all **We** can treat the insurance as void (cancel ab initio, i.e. as if it never existed from inception) and refuse to pay all claims, but will return the Policy premium to whoever paid it.

In the event of non-disclosure/misrepresentation that was deliberate or reckless:

- **We** may have the option to treat the insurance as void (cancel ab initio, i.e. as if it never existed from inception) and retain the Policy premium.

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Definitions

Wherever any of the following words appear in bold in the Policy wording, they will have the under-mentioned meaning:

THE ARK NEW HOME BUYERS CONSUMER CODE (THE CODE)

A separate document enclosed with this Policy which ensures that consumers purchasing new homes are treated fairly by the **Developer** or vendor. It sets out their rights and the procedures they should follow in the event of a complaint or dispute.

BUILDER

Any person, sole trader, partnership or company who undertakes the refurbishment/renovation/construction works to the **Residential Property** at the **New Development**.

BUILDING PERIOD CERTIFICATE

The certificate issued when the **Residential Property** has been registered with **Us** prior to **Practical Completion**. By issuing this certificate **We** are confirming that cover under section 1 of the Policy is in place (if applicable). Cover under the remaining sections of the Policy is not in place until **We** have issued the **Insurance Period Certificate**.

BUILDING REGULATIONS

The Building Regulations that govern the construction of the **Residential Property** which were in force at the time the **Notice to Build** was submitted to the Local Authority or planning authority.

COMMON PARTS

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

DEFECT(S)

Any fault, error or omission in the design, specification, materials or workmanship that existed, but remained undiscovered on the date of **Practical Completion,** which subsequently becomes apparent and causes **Major Damage** during the period of insurance**.**

DEVELOPER

Any person, sole trader, partnership, company, **Builder** or special purpose vehicle;

- **i)** with whom the **Policyholder** has entered into an agreement or contract to purchase the **Residential Property** in whole or in part; or
- **ii)** who constructs the **Residential Property** speculatively to sell it in whole or in part; or
- **iii)** who constructs the **Residential Property** and retains ownership of it in whole or in part.

EXCESS

The initial amount relating to each and every claim which the **Insurer** has no liability for under this Policy and which the **Policyholder** must themselves pay before any settlement is made by the **Insurer** and which is specified in the **Insurance Period Certificate**. The **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.

The **Excess** is index linked in accordance with General Condition 3 of this Policy.

INSOLVENCY

Liquidation, receivership, administration or the winding up of the business due to bankruptcy, state retirement or death of the principal(s).

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INSURANCE COMMENCEMENT DATE

The date shown on the **Insurance Period Certificate** signifying the start date of cover under sections 1, 2, 3 and 4 of this Policy.

INSURANCE PERIOD CERTIFICATE

The Certificate issued on behalf of the **Insurer** to signify acceptance of each **Residential Property** for insurance under sections 2, 3 and 4 hereunder as applicable.

INSURER / US / WE / OUR

International General Insurance Company (UK) Ltd**,** 15-18 Lime Street, London, EC3M 7AN.

LIMITS OF INDEMNITY

The liability of the **Insurer** in respect of section 1, 2, 3 and 4 shall not exceed the amounts shown on the **Building Period Certificate** or the **Insurance Period Certificate** or the **Limits of Indemnity** as detailed within this Policy, whichever is the lesser amount.

The **Limits of Indemnity** are index-linked in accordance with General Condition 3 of this Policy.

MAJOR DAMAGE

a) Destruction of or physical damage to a load bearing element of the **Residential Property** caused by a **Defect** in the design, workmanship, material or components of the **Structure** which adversely affects the **Residential Properties** structural stability or the **Waterproof Envelopes** resistance to damp or water penetration; or

b) A condition requiring immediate remedial action to prevent damage to a load bearing element of the **Residential Property** caused by a **Defect** in the design, workmanship, material or components of the **Structure** which adversely affects its structural stability or the **Waterproof Envelopes** resistance to damp or water penetration; or

c) A condition requiring immediate remedial action to prevent imminent danger to the health and safety of the occupants of the **Residential Property** caused by a **Defect** in the design, workmanship, material or components of the **Structure** or failure of the **Developer** to comply with **Building Regulations** in respect of chimneys or flues only;

which is discovered and notified to the **Insurer** via the **Scheme Administrator**, during the period of insurance**.**

NEW DEVELOPMENT

A **Residential Property** or group of **Residential Properties** located at the **Site** for which a **Building Period Certificate** and/or an **Insurance Period Certificate** has been issued by the **Insurer.**

For the purpose of this definition **New Development** does not include any building works other than the **Residential Property** detailed in the **Insurance Period Certificate.**

NOTICE TO BUILD

The Building Notice or full plans submission made to the Local Authority or similar Public body responsible for **Building Regulations** approval.

POLICYHOLDER / YOU

The purchaser or owner of the property which is the subject of this insurance acquiring a freehold or leasehold interest in the **Residential Property** or their successors in title and their assignees or mortgagees in possession, to the extent of their respective rights and interests. The definition of **Policyholder** also includes a purchaser who has paid a deposit to the **Developer** in respect of the **Residential Property** stated in the **Building Period Certificate**.

PRACTICAL COMPLETION

The date shown on the certificate issued by the building control provider confirming the **Residential Property** complies with the **Building Regulations** and is fit for habitation**.**

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QUALIFIED BUILDING SURVEYOR

The surveyor appointed by the **Scheme Administrator** who carried out checks and inspections solely on behalf of the **Insurer** and for no other purpose.

RESIDENTIAL PROPERTY(IES)

The property described in the **Insurance Period Certificate** comprising;

a) The **Structure;**
b) All non-load bearing elements, fixtures and fittings for which the **Policyholder** is responsible;
c) Electrical fixed wiring and lighting system and mechanical and electrical equipment needed to meet the **Building Regulations** that the **Builder** installed as part of the **Residential Property;**
d) Any **Common Parts** retaining or boundary walls forming part of or providing support to the **Structure**;
e) Any path or roadway on the **Site** that provides access for the disabled, for which the **Policyholder** is responsible;
f) The drainage system within the perimeter of such property for which the **Policyholder** is responsible;
g) Any garage or other permanent outbuildings that are integral or built to a habitable standard by the **Builder** as part of the **New Development**;
h) The structure of a swimming pool and associated outbuilding that is integral to the **Residential Property** will be covered for **Defects** and **Major Damage**, however, ingress of water or lack of or inadequate waterproofing, and consequential loss therefrom are excluded from this Policy.

The **Residential Property** does not include nor provide any insurance for any garage or outbuilding that is not built to a habitable standard or not built by the **Builder** as part of the **New Development** nor any external swimming pool without an associated outbuilding, temporary structure, free-standing household appliance, fence, retaining or boundary wall (not forming part of or providing support to the **Structure)** and/or any path or roadway not providing access for the disabled.

SCHEME ADMINISTRATOR
Ark Insurance Group Ltd, 1410 Spring Place, Herald Avenue, Coventry Business Park, Coventry, CV5 6UB

SITE
The area within the boundary of the **New Development.**

STATUTORY AUTHORITY

The local authority and/or Environment Agency (or the Scottish Environmental Protection Agency or the Northern Ireland Environment Agency, as applicable) being governmental departments or agencies with regulatory authority to enforce statutes and regulations relating to the protection of the environment.

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 on their **Site**.

STRUCTURE

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

a) Foundations;
b) all load-bearing structures essential to its stability or strength including parts of ceilings, floors, staircases and associated guard rails, walls and roofs, together with retaining walls;
c) Roof coverings (excluding any solar panels);
d) Any external finishing surface (including rendering) necessary for the water-tightness of the **Waterproof Envelope**;
e) External windows and doors that contribute to the stability of the **Structure**;
f) Floor decking and screeds, where these fail to support normal loads;
g) Non load bearing partition walls;
h) Chimneys and flues;
i) above ground and underground drainage, comprising pipes, channels, gullies and inspection chambers, within the perimeter of the **Residential Property** for which the **Policyholder** is responsible for maintaining.

WATERPROOF ENVELOPE

Waterproof Envelope shall mean the basement, ground floors, outer walls, roofs, skylights, external windows and doors of the **Residential Property.**

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Policy Benefits

Section 1 Insolvency Of Developer During Building Period

1. If after issue of the **Building Period Certificate** due to the insolvency or bankruptcy of the **Developer** construction of the **Residential Property** does not commence, the **Insurer** will refund the deposit paid by the **Policyholder** up to a limit of 10% of the originally agreed purchase price.
2. If after issue of the **Building Period Certificate** due to the insolvency or bankruptcy of the **Developer** the **Residential Property** does not reach **Practical Completion**, the **Insurer** will at its sole option either:

   a. Pay the additional cost required to complete the **Residential Property;** or
   b. Refund the loss of money paid by the **Policyholder** to the **Developer** as a deposit for the construction of the **Residential Property** up to a limit of 10% of the originally agreed purchase price.

Provided that the **Insurer** is only liable under this section in respect of monies already paid by the **Policyholder** to the **Developer** at the time of insolvency or bankruptcy and subject to the **Limits of Indemnity.** The Policyholder must be able to provide to the **Insurer** with evidence of how much was paid as a deposit and when this was paid to the **Developer**.

Conditions Applicable To Section 1

1. If the **Policyholder** withholds, retains or receives back any part of the deposit for the **Residential Property**, the **Insurer** will be entitled to deduct such amount from monies they would otherwise be obliged to pay under this section.
2. The **Insurer** is only liable under this section in respect of the deposit portion paid of the original purchase price, as agreed, and not in respect of any extra work or amendments agreed subsequently.
3. For the purpose of this section only, the definition of **Developer** shall include the **Builder** if the **Developer** and **Builder** are one and the same legal entity for the **New Development.**

For the avoidance of doubt this section does not provide any cover for loss of deposits nor in respect of any costs incurred in pursuing the **Developer** if they refuse to return the deposit or to fulfil their contractual obligations to the **Policyholder**, unless this is directly due to their **Insolvency**. Furthermore no cover is provided by this Policy in respect of any contractual or legal dispute between the **Developer** and the **Policyholder** however please refer to **The Code** for guidance.

Section 2 - Defects Insurance Period

What is insured

In respect of all claims first discovered and notified after the **Insurance Commencement Date** and during the first 24 months after **Practical Completion** of the **Residential Property We** will pay the reasonable cost of repairing or rebuilding in full or in part and to its original specification each **Residential Property** which has been affected by **Major Damage**.

The maximum amount **We** will pay for any one claim and in the aggregate under this section of the Policy is the rebuilding cost of the **Residential Property** or the **Limits Of Indemnity** shown in the Policy wording whichever is the lesser.

The rebuilding cost of the **Residential Property** and the **Limits Of Indemnity** for this section are index linked in accordance with General Condition 3 of this insurance Policy.

You will be responsible for paying the amount of any **Excess** shown in the **Insurance Period Certificate** in respect of any claim under this section.

Claims conditions applicable to section 2

1. **We** will at **Our** sole option:
   - Pay to repair, replace or rectify the loss or damage; or
   - Pay an equivalent amount in cash to the **Policyholder** or any mortgagee or lessor who has a legal interest in the **Residential Property**, in lieu of repair, replacement or rectification.
   - Where the cost of repair, replacement or rectification exceeds the rebuilding cost of the **Residential Property** and **Limits Of Indemnity;** pay up to the lesser of the rebuilding cost of the **Residential Property** or **Limit Of Indemnity** in cash in lieu of undertaking any works.

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Where a payment is made to the **Policyholder** it shall be in full discharge of **Our** liability in respect of the claim. No further claim shall be met by the **Insurer** for further loss or damage whether directly or indirectly arising from the **Major Damage** not having been rectified.

2. **We** shall only be liable to make a payment under this section where the **Policyholder** has:
   - Contacted the **Developer** in writing setting out the **Major Damage** and asking the developer to repair, replace or rectify the **Major Damage**;
   - Confirmed to the **Scheme Administrator** that the **Developer** has unreasonably refused to undertake the work or meet the costs of such work; is unable to undertake the work in a reasonable timescale; or is in **Insolvency**; and
   - Received confirmation in writing from the **Scheme Administrator** that the claim is covered under this insurance.

Extension to section 2 only of this insurance Policy

The extension only applies during the first two years (24 months) after **Practical Completion** where the **Building Regulations** compliance was undertaken by an Approved Inspector, not the Local Authority Building Control.

The **Insurer** will indemnify the **Policyholder** in respect of the reasonable cost of rectifying a present or imminent danger to the physical health and safety of the occupants of the **Residential Property** caused by its failure to comply with the **Building Regulations** that were in force at the time the **Building Notice** was deposited, in respect of the following:

(a) Part A Structure;
(b) Part B Fire safety;
(c) Part C Site preparation, contaminants and resistance to moisture;
(d) Part G Sanitation, hot water safety and water efficiency;
(e) Part H Drainage and waste disposal;
(f) Part J Combustion appliances and fuel storage systems;
(g) Part K Protection from falling, collision and impact; or;
(h) Part N Glazing – safety in relation to impact, opening and cleaning

The **Insurer** will not be liable for any claim in respect of site preparation and resistance to moisture relating to ground that is outside the foundations of the **Residential Property**.

Section 3 Structural Insurance Period

The Structural Insurance Period commences 24 months after the date of **Practical Completion** of the **Residential Property.** During this period the **Insurer** will indemnity the **Policyholder** against all claims discovered and notified to the **Insurer** via the **Scheme Administrator** during the period of insurance in respect of the cost of complete or partial rebuilding of or rectifying work to the **Residential Property** which has been affected by **Major Damage** provided always that the liability of the **Insurer** does not exceed the reasonable cost of rebuilding each **Residential Property** to its original specification.

The **Excess** for each and every claim is as specified in the **Insurance Period Certificate**.

In the event of a claim under the section the **Insurer** has the option either of paying the cost of repairing, replacing or rectifying any damage resulting or itself arranging to have such damage corrected.

Claims conditions applicable to section 3

We will at **Our** sole option:
- Pay to repair, replace or rectify the loss or damage; or
- Pay an equivalent amount in cash to the **Policyholder** or any mortgagee or lessor who has a legal interest in the **Residential Property**, in lieu of repair, replacement or rectification.
- Where the cost of repair, replacement or rectification exceeds the rebuilding cost of the **Residential Property** and **Limits Of Indemnity;** pay up to the lesser of the rebuilding cost of the **Residential Property** or **Limit Of Indemnity** in cash in lieu of undertaking any works.

Where a payment is made to the **Policyholder** it shall be in full discharge of **Our** liability in respect of the claim. No further claim shall be met by the **Insurer** for further loss or damage whether directly or indirectly arising from the **Major Damage** not having been rectified.

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Section 4 Contamination

The **Insurer** will indemnify the **Policyholder** against all claims discovered and notified to the **Insurer** via **Scheme Administrator** after the date of **Practical completion** during the period of insurance in respect of remediation expenses incurred in treating or isolating or removing any substance from the **Site** in a controlled manner where the **Policyholder** has been served with a **Statutory Notice**.

The **Excess** for each and every claim is as specified in the **Insurance Period Certificate**.

The **Insurer** will not be liable to the **Policyholder** under this section for any claim;

1. In connection with contamination outside the boundary of the **Site**; or
2. In connection with contamination that migrates on to the **Site**; or
3. In connection with contamination which migrates from the **Site**; or
4. For anything that was not considered to be harmful at the time the **Notice to Build** was deposited with Local Authority but is later considered to be harmful; or
5. 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 deposited; or
6. In connection with ionising radiation; or
7. For any extensions to the **Residential Property** or additional buildings erected on site carried out during the period of insurance that brings about contamination of the **Site;** or
8. For any diminution of the value of the **Residential Property** due to the existence or former existence (whether actual or alleged) of contamination; or
9. For any consequential or financial losses of any description and howsoever arising except as expressly provided for in this Policy; or
10. For any Fines or penalties; or
11. For any form of blight.

Automatic Extensions To This Policy

In addition, in the event of a claim under sections 2, 3 and 4 of this Policy, the **Insurer** will, with their prior written consent, pay within the **Limit of Indemnity** the following:

1. ADDITIONAL COSTS

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

The maximum amount payable under this extension is £10,000 or 15% of the rebuilding cost of the **Residential Property** whichever is the greater.

3. FEES

Such Architects', surveyors', Legal, Consulting Engineers', and other fees as are necessarily and reasonably incurred by the **Policyholder** in relation to the complete or partial rebuilding or rectifying work to the **Residential Property** but shall not include costs or fees incurred by the **Policyholder** in investigating and/or preparing a claim.

4. REMOVAL OF DEBRIS

For each **Residential Property** the necessary and reasonable cost and expenses incurred by the **Policyholder** in respect of:

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

the **Residential Property**.

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Exclusions

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

1. ALTERATIONS
Loss or damage due to or arising from any alteration, modification, extension or addition to the **Residential Property** during the period of insurance unless notified to the **Scheme Administrator** and agreed by them in writing.

2. CHANGE IN COLOUR
Change in colour, texture, opacity or staining or other ageing process to any element of the **Residential Property**.

3. CONSEQUENTIAL LOSS
Consequential or financial losses 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 or materials of any pre existing structure or works constructed prior to the **New Development** to construct the **Residential Property**.

5. EXCESS
Initial amount detailed in the **Insurance Period Certificate** relating to each and every claim for which the **Insurer** has no liability for under this Policy and which the **Policyholder** must themselves pay before any settlement is made by the **Insurer.**

6. GREEN OAK OR UNSEASONED TIMBER
Loss or damage due to or arising from any movement or characteristic changes associated with the use of green oak or unseasoned timber in the construction of the **Residential Property.** For the avoidance of doubt, any loss or damage caused by or attributable to the movement, settlement, shrinkage, expansion, shaking, cracking, splitting or twisting associated with the use of green oak or unseasoned timber in the construction of the **Residential Property** is specifically excluded unless it can be proven by the **Policyholder** that such loss or damage is as a direct result of the structural element of the green oak or unseasoned timber failing to support the loadings it was initially designed to achieve.

7. HUMIDITY
Loss or damage caused by or consequent upon humidity in the **Residential 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 **Waterproof Envelope** of the **Residential Property**.

8. JAPANESE KNOTWEED
Loss or damage due to or arising from Japanese Knotweed that has migrated onto the site after **Practical Completion** of the **Residential Property** is excluded from this Policy.

9. 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.

10. MODERN METHODS OF CONSTRUCTION
Loss or damage due to or arising from the use of any unproven and/or non standard and/or innovative material or product, unless:-
(i) it has been certified by a recognised national or international organisation; and
(ii) such certification has been made available to the **Scheme Administrator**; and
(iii) the **Scheme Administrators** have confirmed in writing their approval of such use.

11. PERSONAL INJURY
Costs, losses, expenses or damages for death, bodily injury, disease, illness or damage to mental health.

12. PRIOR KNOWLEDGE
Claims under the Policy about which the **Policyholder** was aware of or should have been aware of prior to purchasing the **Residential Property** or for which the **Policyholder** received a reduction in the purchase price or any other contractual remedy.

13. PYRITES OR SULPHIDES
Loss, damage, cost, expense, or liability of any nature directly or indirectly caused by, resulting from or in connection with the presence or alleged presence of any sulphides, including but not limited to pyrite and/or their derivatives.

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14. RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS

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

a) Ionising radiation from or contamination by radioactivity from any nuclear fuel or form any nuclear waste or from the combustion of nuclear fuel; or
b) The radioactive, toxic, explosive or other hazardous or contamination properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof; or
c) Any weapon or device employing atomic or nuclear fission or other like reaction or radioactive force or matter; or
d) 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; or
e) Any chemical, biological, bio-chemical, or electromagnetic weapon.

15. REASONABLENESS

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

16. SETTLEMENT

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

17. SONIC BANGS

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

18. SPECIAL PERILS

Loss or damage caused by or consequent upon a peril that can be insured under a Household Buildings or Contents Insurance Policy or a Property Owners Insurance Policy whether insured or not.

19. SUBSIDENCE

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

20. 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.

21. VERMIN

Loss or damage caused by or consequent upon the actions of any pets or rodents, vermin, woodworm, bird, beetle, moth, insects or any other kind of infestation.

22. WAR AND TERRORISM RISKS

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.

23. WATER TABLE

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

24. WEAR AND TEAR

Loss or damage caused by or attributable to wear and tear or normal dampness condensation or shrinkages or deterioration whether caused by neglect or otherwise.

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25. WILFUL ACTS

Wilful acts, neglect or criminal act of the **Policyholder** or any other party acting on their behalf or with their knowledge.

General Conditions

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) the **Policyholder** has entitlement to any statutory damages or compensation.

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

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 the **Policyholder**, or anyone acting on the **Policyholder's** behalf, to obtain benefit under this insurance, all benefit hereunder shall be forfeited.

3. INDEX LINKING

The **Limits of Indemnity** and **Excess** referred to within the **Insurance Period Certificate** will be separately increased in line with the RICS Building Index or 5% per annum compound, whichever is the lesser, on each anniversary of the start of the **Insurance Commencement Date**. For the purpose of settlement of any claim hereunder the **Limits of Indemnity**, as adjusted in accordance with the foregoing provisions shall be regarded as the **Limits of Indemnity** at the time of discovery by the **Policyholder** of such claim.

4. INSURER'S RIGHTS

In the event of any occurrence which may give rise to a claim under this Policy, the **Insurers** and their agents shall, with the permission of the **Policyholder,** be entitled to enter the **Residential Property** in order to investigate and produce a full report and/or carry out rectification works or the complete or partial rebuilding of the **Property**. If such permission is unreasonably withheld by the **Policyholder** no claim shall be accepted or paid by the **Insurer**.

5. MISREPRESENTATION

It is the duty of the **Policyholder** to declare all material facts to the **Scheme Administrator**. Either a deliberate, reckless, or careless misrepresentation or non disclosure made by the **Policyholder** may entitle the **Insurer** to avoid cover from inception and to seek repayment of any claims paid.

6. RECOVERIES FROM THIRD PARTIES

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

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Limits Of Indemnity

The maximum amount the **Insurer** will pay for any and all claims under the various sections of this Policy is as follows;

Section 1 – Insolvency Of Developer During Building Period

The amount paid by the **Policyholder** to the **Developer** subject to a maximum of 10% of the original purchase price for each **Residential Property**.

The maximum amount that the **Insurers** will pay under this section of cover is £1,000,000 in respect of the **New Development.**

If it appears that the total claims anticipated and paid under section 1 in respect of any one **New Development** shall exceed the limit of £1,000,000, the **Insurer** may at its discretion reduce the individual claims from all affected **Policyholders** by the ratio by which the anticipated claims are estimated to exceed the **Limit of Indemnity**.

Section 2 – Defects insurance Period

The maximum the Insurers will pay for all claims relating to a **Residential Property** is £10,000,000 or the rebuilding cost of the **Residential Property,** whichever is the lesser.

The limit for all claims for all **Residential Properties** in one continuous structure is £10,000,000.

The limits for section 2 are index-linked in accordance with General Condition 3 of the Policy.

Section 3 – Structural Insurance Period

The maximum the Insurers will pay for all claims relating to a **Residential Property** is £10,000,000 or the rebuilding cost of the **Residential Property,** whichever is the lesser.

The limit for all claims for all **Residential Properties** in one continuous structure is £10,000,000.

The limits for section 3 are index-linked in accordance with General Condition 3 of the Policy.

Section 4 – Contamination

The maximum **We** will pay for all claims relating to a **Residential Property** is £1,000,000 or the rebuilding cost of the **Residential Property**, whichever is the lesser.

The maximum **We** will pay for all claims relating to the **New Development** is £5,000,000 or the total rebuilding cost of all the **Residential Properties** in the **New Development**, whichever is the lesser.

Common Parts

The maximum the **Insurer** will pay for any one 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. All claims are subject to the **Limits of Indemnity** for the individual sections detailed above and subject to the **Excess** as detailed in the **Insurance Period Certificate**.

Automatic Reinstatement Of The Limit Of Indemnity

In consideration of the **Limits of Indemnity** not being reduced by the amount of any claim, the **Policyholder** agrees if required by the **Insurer** to pay:

a) The pro-rata additional premium on the amount of such claim from the date of notification of claim to the date of expiry of the period of insurance for section 2 or section 3 or section 4; and

b) Any **Qualified Building Surveyor** fee for checking the design and the inspection of any work for the repair or rebuilding of any **Residential Property** which has been the subject of a claim under this Policy. The **Limit of Indemnity** shall not be reinstated unless approval in respect of such repair or rebuilding work has been issued by the **Qualified Building Surveyor.**

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How To Make A Claim

In the event of any **Defects** arising that occurs within the first 24 months of **Practical Completion**, this should immediately be reported to the **Developer**. If a **Defect** becomes apparent to the **Policyholder** and due to **Insolvency** the **Developer** they cannot rectify the **Defect**, then the **Scheme Administrator** must be advised as soon as reasonably possible.

If the **Developer** is in **Insolvency** during the first 24 months or if the **Defect** occurs after 24 months from **Practical Completion** during the period of insurance then please contact the **Scheme Administrator** as soon as reasonably possible as per the contact details below:

1. Take all responsible immediate steps to prevent any further loss or damage.

2. Give written notice to:

   The Claims Department
   Ark Insurance Group Limited
   1410 Spring Place, Herald Avenue,
   Coventry Business Park,
   Coventry, CV5 6UB

   Tel: 02476 437611 Email: claims@arkinsurance.co.uk

3. Submit in writing 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.

Complaints Procedure

If you believe your rights as a consumer have not been upheld during the first two years of **Practical Completion** please refer to the **Ark New Home Buyers Consumer Code** document enclosed with this Policy or contact Ark Insurance Group Limited as per the details below for a copy.

1. In the event that the **Policyholder** has a complaint regarding this Policy, they should write to;

   Ark Insurance Group Limited
   1410 Spring Place, Herald Avenue,
   Coventry Business Park,
   Coventry, CV5 6UB

   Tel: 02476 437611 Email: info@arkinsurance.co.uk

   Quoting the **Building Period Certificate** or **Insurance Period Certificate** number and the reasons why they feel dissatisfied.

2. If after receiving the final written response from the **Insurer** the **Policyholder** still wishes to take the matter further, they can then approach the Financial Ombudsman Service (FOS);

   The FOS is an independent body that arbitrates on complaints about general insurance products.

   The Ombudsman can be contacted at:

   Insurance Division
   Financial Ombudsman Service
   Exchange Tower
   London
   E14 9SR Telephone Number: 0800 0234 567

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Privacy Notice

The Scheme Administrator and the Insurer gather and process personal data in accordance with the EU General Data Protection Regulation (GDPR) and any relevant data protection legislation.

Personal data may be used by the **Scheme Administrator**, the Insurer or third parties for underwriting, surveying and claims purposes and in order to administer the Policy. The **Scheme Administrator** and the Insurer will ensure that personal data is kept secure, is used only for the purpose for which it was supplied and is retained only for as long as necessary.

The Scheme Administrator 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 ZA197420. The **Scheme Administrator**s full Privacy Notice is available at https://www.arkinsurance.co.uk/privacy.aspx

The Insurer is registered with the Financial Conduct Authority (FCA) as a data controller and is listed on the Register of Data Controllers under registration number Z3159017. The Insurer's full Privacy Notice is available at https://www.iginsure.com/privacy/.

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Ark Insurance Group Limited
1410 Spring Place,
Herald Avenue,
Coventry Business Park,
Coventry, CV5 6UB
Telephone: 0247 643 7611 | Fax: 0247 663 6902 | Email: info@arkinsurance.co.uk

International General Insurance Company (UK) Ltd
15-18 Lime Street
London
EC3M 7AN

International General Insurance Company (UK) Ltd. is registered in England and Wales (registration no. 06870207), authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority– FRN 519580. LEI No. 2138009PPGB2LQ8XZC76.

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