Ark Residential New Build Latent Defects Insurance

Insurance Product Information Document

Insurer: International General Insurance Company (UK) Ltd

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. 2138009PPGB2LQ8ZC76.

The Scheme Administrator for this product is Ark Insurance Group Ltd, which is authorised and regulated by the Financial Conduct Authority under Firm Reference Number (FRN) 706598. Ark Insurance Group Ltd (Company Registration Number: 08864405) Registered Address: Leofric House, Binley Road, Coventry, CV3 1JN.

This document provides a summary of the key information relating to this Latent Defects insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.

What is this type of insurance?

This is a Latent Defects Insurance policy which covers the cost of making good defective design, workmanship and/or faulty materials in the original location up to 12 years after completion of the Insured Works.

What is insured?

The cover is split up into four sections:-

Section 1 - Insolvency of Developer (if applicable)

✓ If construction of the residential property does not commence due to insolvency or bankruptcy of the developer, the insurer will refund the deposit paid by the policyholder up a limit of 10% of the originally agreed purchase price.

✓ If the developer has started, but not completed, the construction of the residential property, due to insolvency or bankruptcy, the Insurer will either:

- Pay the additional cost required to complete the residential property; or
- Refund the loss of money paid by the policyholder to the developer as a deposit for the construction of the property up to a limit of 10% of the originally agreed purchase price.

Section 2 - Developer Warranty Period Cover

✓ During the first 24 months after practical completion, the insurer 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, and/or the automatic extensions of cover shown in the policy wording, provided that: 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; and the developer has either 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 insolvency; and the scheme administrators confirm in writing that the claim is covered under this insurance.

Section 3 - Structural Insurance Period Cover

✓ The structural insurance period commences 24 months after the date of practical completion. During this period, the insurer will indemnify the policyholder 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.

Section 4 - Contaminated Land Cover

✓ The Insurer will indemnify the policyholder against all claims discovered and notified to the insurer 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.

Automatic Extensions to the policy

✓ Additional Costs - such additional costs and expenses as are necessarily and reasonably incurred by the policy holder solely in order to comply with building regulations or local authority or other statutory provisions.

✓ Alternative Accommodation Costs - such additional costs and expenses as are necessarily and reasonably incurred by the policy holder for a period not exceeding 26 weeks in respect of removal, storage and alternative accommodation whilst the residential property is uninhabitable.

✓ Fees - Such Architects, Surveyors, Legal, Consulting Engineers and other fees incurred by the insured on relation to the complete or partial rebuilding or rectifying the insured works.

✓ Removal of Debris - Such cost and expenses incurred by the insured in respect of removal of debris and/or dismantling or demolishing of and/or shoring up of the premises.

Are there any restrictions on cover?

! **Section 1** - The amount paid by the policy holder to the developer, subject to a maximum of 10% of the original purchase price for each residential policy.

The maximum amount that the Insurers will pay in total under this section of cover is £1,000,000 in respect of the new development.

! **Section 2 & 3** - The maximum the insurer will pay for any one residential property is £10,000,000 or the rebuilding cost, whichever is the lesser or £10,000,000 in one continuous structure.

! **Section 4** - The maximum amount Insurers will pay under this section is £1,000,000 for any one residential property or the rebuilding cost, whichever is the lesser and; £5,000,000 or the total rebuilding cost for the new development, whichever is the lesser.

What is not insured?

- ✕ 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.
- ✕ The amount of the excess stated in the certificate of insurance. The limits of indemnity and excess will be separately increased in line with the RICS Building Index prepared by the Royal Institution of Chartered Surveyors on each anniversary of the start of the insurance commencement date.
- ✕ Loss or damage due to or arising from any invasive weed such as but not limited to Japanese Knotweed.
- ✕ Loss or damage due to or arising from any alteration, modification, extension or addition to the residential property during the developer warranty period or structural insurance period unless notified to and agreed by the scheme administrator.
- ✕ Consequential or financial losses of any description whatsoever except as expressly provided for under this policy.
- ✕ 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.
- ✕ 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.
- ✕ Loss or damage due to or arising from the use of any unproven and/or non-standard and/or innovative material or prefabricated building product unless it has been certified by a recognized national or international organisation, such certification has been made aware to the scheme administrators and the scheme administrators have confirmed in writing their approval of such use.
- ✕ 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. Please refer to the full policy wording for further detail on this exclusion.
- ✕ Any claim 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.
- ✕ Loss or damage caused by or consequent upon normal settlement, shrinkage, drying out or bedding down of the residential property.
- ✕ Loss or damage caused by any peril that can be insured under a household buildings or property owners policy.
- ✕ Loss or damage caused by or consequent upon subsidence, heave or landslip unless such loss is a result of a defect in the design, workmanship, materials or components of the structure of the residential property.
- ✕ Loss, damage or bodily injury arising out of any pathogenic organisms.
- ✕ Loss or damage resulting solely from a change in the water table level.
- ✕ Loss or damage caused by or attributable to
  - Wear and tear
  - Normal dampness condensation or shrinkages
  - Deterioration
- ✕ Any willful acts, neglect or criminal act of the policy holder or any other party.
- ✕ Any other exclusion detailed in the policy wording.

Where am I covered?

This policy covers insured works carried out in premises in:-

- ! United Kingdom
- ! The Channel Islands
- ! Isle of Man

What are my obligations?

- The policy holder must notify the scheme operator in writing as soon as you believe the developer might be insolvent or committed fraud on you, or may not complete the residential property in accordance with the contract.
- The policy holder must notify the developer and the scheme operator of any damage or defect within the developer warranty period.
- The policy holder must provide the proper care and upkeep of the insured works taking account the contractors and/or suppliers instructions and requirements.

When and how do I pay?

The Developer would generally pay for this policy, please contact them to clarify.

When does the cover start and end?

Cover starts from the date the insured works are completed and expires up to 12 years thereafter.

If cover is arranged retrospectively then the cover start date will be the date that the certificate of insurance is issued as stated therein.

How do I cancel the contract?

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.

Please write to the scheme administrator at:

Ark Insurance Group Ltd
1410 Spring Place, Herald Avenue,
Coventry Business Park, Coventry, CV5 6UB
Email: info@arkinsurance.co.uk

Any return premiums payable will only be paid to the party who originally registered the residential property and paid the premium.

You should be aware that if you choose to cancel the policy after the first 14 days, no refund of premium will be paid.

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