



BUILDING
DEFECTS
INSURANCE

BLPSECURE

POLICY DOCUMENTS

Underwritten by Allianz Global Corporate & Speciality AG

Arranged in conjunction with

The CIOB Members Residential Latent Defect Insurance Scheme is arranged through FRD Risk Solutions and administered by BLP as underwriting agents of Allianz Global Corporate & Speciality AG who are the Insurers. Fitzgerald Reid Dickinson t/as FRD Risk Solutions, BLP and Allianz are all authorised and regulated by the FSA.



FRD | risk solutions
CORPORATE INSURANCE BROKERS

HOUSING WARRANTY INSURANCE POLICY

Underwritten by Allianz Global Corporate & Specialty AG

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ADDITIONAL BENEFIT

In addition to the insurance cover provided under this policy we have arranged with Building LifePlans (BLP) the additional service described below. This service is offered without additional charge to all Insureds and is available by contacting BLP at the telephone number below.

This service is entirely separate from the insurance cover which is described in the Insuring Agreement on Page 7 of the Policy.

NEGOTIATED SETTLEMENT PROCEDURE FOR PRIVATE BUYERS

BLP will offer assistance to an Insured who is also a private buyer in circumstances where, following an incidence of water ingress in the first 12 months after completion of the property, the builder or contractor has not agreed to rectify the Defect within a reasonable period of time.

The Insured will be asked to confirm formally that BLP is appointed to act on their behalf. BLP will then take steps to investigate the problem, possibly involving a visit to the Premises, discuss its findings with the Insured and agree a course of action to take with the builder or contractor.

Important Note: The Negotiated Settlement Procedure is a service that is offered to private buyers solely to assist in seeking recourse from the builder or contractor for water ingress claims only, and is entirely separate from the insurance cover which is described in the Insuring Agreement on page 7 of the policy.

An Insured who is a private buyer and who wishes to make use of this Service should contact BLP on 020 7204 2424 quoting the policy number, the Insured title and the address of the Premises.

HOUSING WARRANTY INSURANCE POLICY

INFORMATION

This Policy has been prepared in accordance with the information and instructions supplied to us. Please read it carefully to ensure that it meets with your requirements.

This Policy consists of the following sections:

1. PREAMBLE
 - Confirming that the insurance is in force
2. DEFINITIONS
 - Defining terms used in the Policy
3. INSURING AGREEMENT
 - Giving details of the cover under the Policy subject to any variation which may be made by endorsement
4. POLICY EXCLUSIONS
 - Detailing exclusions which apply to the Policy
5. POLICY CONDITIONS / PROVISIONS / GENERAL CONDITIONS
 - Describing duties, obligations and procedures of the insurance
6. CLAIMS CONDITIONS
 - Describing the procedures and basis of settlement of claims made.
7. GENERAL PROVISIONS
 - Giving details of the provisions that apply to the cover
8. SCHEDULE
 - Describing who and what is insured, and any extensions applicable
9. CLAIMS
 - Describing what you will need to do in order to make a claim
10. COMPLAINTS
 - Describing what you will need to do in order to make a complaint
11. ENDORSEMENTS
 - Describing any amendments made to the Policy
12. CERTIFICATE OF APPROVAL
 - Confirming that the technical review process has been completed and the Premises are acceptable to Insurers

1. PREAMBLE

In consideration of the Insured having paid or promised to pay the premium to the Insurers, the Insurers agree to provide insurance subject to the terms, conditions and exclusions of this Policy up to the amount detailed in the Schedule as the Sum Insured during the Period of Insurance.

This Policy and its Schedule, Endorsements and the Certificate of Approval shall be read together as one contract and any word or expression to which a specific meaning or definition has been given shall have such specific meaning wherever it may appear.

For and on behalf of Insurers:

Stamped and signed

Policy Number

Date

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2. DEFINITIONS

For the purposes of this Policy, the following definitions (but not the heading of any definition) shall apply:

(a) Building Contract

The contract or contracts for:

- (i) the design of the Premises;
- (ii) the construction of the Premises.

(b) Certificate of Approval

The certificate(s) issued by the Technical Inspection Service to the Insurers in connection with the Building Contract forming an integral part of this Policy.

(c) Certificate of Practical Completion

The Certificate(s) of Practical Completion or other certificate confirming substantial completion of the Premises to be issued by the Insured's architect, engineer, contract administrator or other supervising officer under the Building Contract or, in the absence of such a contract, the certificate of completion issued by the local authority building control officer or approved inspector.

(d) Date of Inception

The Date of Inception will be the date shown on the Certificate of Practical Completion, or the date of legal exchange on first purchase of the Premises, whichever is the later.

(e) Excess

The part of the risk which remains at the Insured's own expense.

(f) Defect

Any defect in the Structural Works notified to the Insurers during the Period of Insurance which is attributable to a defect in design or workmanship or materials which was not manifest at the Date of Inception.

(g) Finishing Operations

Any operations carried out for the purposes of completing and finishing the Premises after the issue of the Certificate of Practical Completion as provided for under the Building Contract.

(h) Insured

The party or parties named in the Schedule, their successors in title and their assigns together with such other parties described in the Schedule, to the extent of their respective rights and interests in the Premises stated in the Schedule.

(i) Premises

The whole and each and every part of the Works at the address stated in the Schedule and the subject of:

- (i) the Certificate of Practical Completion, and
- (ii) the Certificate of Approval issued by the Technical Inspection Service attached to and forming an integral part of this Policy

comprising:

- (i) Structural Works
 - All internal and external load-bearing structures essential to the stability, strength or weatherproof integrity of the Premises, and
 - drains, internal walls and windows, plaster, ceilings, staircases, internal floor decking and screeds, chimneys and flues
- (ii) External Works
 - All external non-structural works owned by the Insured and the subject of the Building Contract, including but not limited to pavement, cross-overs, paved areas, pedestrian and vehicular landscaping and all external drains, sewers, pipes, cables, wires and other service media.

(j) Technical Inspection Service

The party or parties engaged by the Insurers to provide such examinations of plans, specifications, bills of quantities and other documentation in relation to the Works and such inspections of the Works as the Technical Inspection Service and Insurers shall require.

(k) Works

The works completed under the Building Contract.

3. INSURING AGREEMENT

(a) Operative Clause

The Insurers agree to indemnify the Insured against the cost of repairing, replacing and/or strengthening the Premises following and consequent upon a Defect which becomes manifest and is notified to Insurers during the Period of Insurance and not excluded herein causing any of the following events:

- (i) destruction of the Premises; or
- (ii) physical damage to the Premises; or
- (iii) the threat of imminent destruction or physical damage to the Premises which requires immediate remedial measures for the prevention of destruction or physical damage within the Period of Insurance.

(b) Additional Benefits

In addition to and consequent upon the above indemnity the Insurers will indemnify against:

- (i) the cost of demolishing the Premises and/or the removal of debris from the Premises reasonably incurred by the Insured in connection with the events stated in the Operative Clause (a) above up to the Sum Insured stated in the Schedule;
- (ii) the reasonable legal, professional or consultants' fees incurred by the Insured solely in connection with the events stated in the Operative Clause (a) above up to the Sum Insured stated in the Schedule. The Insurers will not be liable to the Insured for fees incurred for the purpose of preparing a claim under this Policy;
- (iii) the additional costs of repair or replacing and/or strengthening in connection with the events stated in the Operative Clause (a) above which arise out of alterations in design, use or application of improved material, improved or altered methods of working or construction incurred solely and specifically in compliance with or consequent upon any building or other regulations under or in pursuance of any act of Parliament or with bye-laws of any Public or Local Authority. This does not include the costs of complying with such requirements if notice thereof has been served before the events described above are discovered or such costs which relate to undamaged or unaffected parts of the Premises;
- (iv) the cost necessarily and reasonably incurred by the Insured with the Insurers' consent in dismantling, removing, temporarily storing, reinstalling and re-erecting any contents and/or fixtures at the Premises which require to be removed solely to enable reinstatement to take place;
- (v) the additional costs reasonably incurred by the Insured with the Insurers' consent in providing alternative accommodation to the extent that the Premises or part thereof cannot be occupied during the period of reinstatement.

(c) Period of Insurance

The Period(s) of Insurance as detailed in the Schedule unless otherwise agreed in writing by Insurers, provided that:

- (i) the premium due has been paid to Insurers; and
- (ii) the Certificate of Practical Completion has been issued in accordance with General Condition (a); and

(iii) Insurers have received the Certificate of Approval.

(d) Sum Insured

The sum shown in the Schedule or £500,000 each individual dwelling unit, whichever is the higher, adjusted in accordance with General Provision (c).

(e) Limit of Indemnity

The liability of the Insurers shall not exceed the Sum Insured for the Period of Insurance unless cover has been either increased or reinstated by endorsement and the appropriate additional premium paid to Insurers, but excluding in respect of each and every claim the amount specified in the Schedule as the Excess.

In respect of Additional Benefits b (iv) and (v) above, the liability of the Insurers shall be limited to 10% of the Sum Insured or £250,000 whichever is the lower.

(f) Indexation

The Sum Insured shall be increased annually from the Date of Inception of the Policy in line with the Royal Institution of Chartered Surveyors House Rebuilding Cost Index, or by 10% compound per annum, whichever is the lesser. The proportional reduction for underinsurance defined in the General Provision of Average will only apply to the extent that the full rebuilding cost of the Premises exceeds the original Sum Insured increased by the said percentage indexation factor over the period expired since the Date of Inception of the Policy, to the anniversary of the Date of Inception immediately preceding the date of discovery of a Defect.

The Excess stated in the Schedule shall be increased in the same manner annually by the percentage indexation factor stated herein.

Such increased Excess applicable to a claim will be that calculated at the anniversary of the Date of Inception immediately preceding the date of discovery of the Defect.

4. POLICY EXCLUSIONS

- (a) This Policy does not cover any destruction, physical damage or threat of imminent destruction or physical damage caused by, arising from or consequent upon:
- (i) any alterations, repairs, modifications or additions of a structural nature to the Premises during the Period of Insurance unless the Insurers have been informed and if necessary the Policy endorsed, and any appropriate additional premium paid to the Insurers;
 - (ii) inadequate maintenance or abnormal use of the Premises or the imposition of any load greater than that for which the structure of the Premises was designed or the use of the Premises for any purpose other than that for which they were intended and as stated in the Schedule;
 - (iii) the wilful acts or wilful omissions of the Insured;
 - (iv) fire, lightning, explosion, earthquake, storm, tempest, flood, frost, bursting or overflowing of water tanks, pipes or other apparatus, water discharged or leaking from an automatic sprinkler installation, pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds, the impact of aircraft or other aerial devices or articles dropped or falling therefrom or the impact of any other vehicle whether licensed or not;
 - (v) ionising radiations or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel or the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
 - (vi) war, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil war, revolution, rebellion, insurrection or military or usurped power, riot, civil commotion, confiscation or requisition by any government or public or local authority, or any act of terrorism;
 - (vii) the failure by the Insured or their contractors or agents to carry out and complete the Finishing Operations;
 - (viii) any matter notified to the Insurers by the Technical Inspection Service and referred to as a reservation in the Certificate of Approval or recorded in the Certificate of Practical Completion unless subsequently rectified and approved in writing by the Insurers;
 - (ix) subsidence, heave or landslip unless due to a Defect;
 - (x) defects which are the responsibility of the Insured's professional advisors or Contractors whether within the terms of the Building Contract or otherwise identified and notified to the Insured before issue of the Certificate of Practical Completion, unless subsequently rectified and approved in writing by the Insurers;
 - (xi) the failure or omission of the Insured to commence or substantially undertake the repair, replacement or strengthening of the Premises for which indemnity is provided under this Policy within a reasonable period of time or such other period of time as may be agreed in writing by the Insurers.

(b) Further, Insurers will not be liable for:

- (i) the amount shown in the Schedule as the Excess being that part of the risk, which remains at the Insured's own expense, and the said amount will be applied to each and every claim after the application of all other terms and conditions of the Policy including average and not to the aggregate of claims arising during the Period of Insurance;
- (ii) any change in colour, texture, opacity or discolouration or staining or superficial deterioration or marring of finishings or surface appearance or ageing processes;
- (iii) any ingress of water occurring in the Premises discovered within 12 months of the date of issue of the Certificate of Practical Completion or Certificate of Approval other than where
 - the Premises have been constructed by a registered company; and
 - such registered company has ceased to trade in accordance with the Insolvency Act 1986;
 - the negotiated settlement process described on page 2 of the policy document has failed to resolve the Defect;
- (iv) any failure of the Premises to comply with any regulation or statutory requirement relating to the prevention of passage of sound;
- (v) any consequential or economic loss or damage of any kind or description whatsoever including but not limited to loss, costs, damages, expenses or penalties other than as provided elsewhere in this policy;
- (vi) the amount of any tax, duty, charge, rate or levy arising out of capital appreciation.

5. POLICY CONDITIONS / PROVISIONS / GENERAL CONDITIONS

(a) Duties of the Insured

The Insured will:

- (i) Supply the Insurers with a copy of the Certificate of Practical Completion within one month of its date of issue;
- (ii) At their or the occupier's own expense, take all reasonable precautions to prevent destruction, physical damage or threat of imminent destruction or physical damage to the Premises and shall comply with building or other regulations under or framed in pursuance of any act of Parliament or with bye-laws of any Public or Local Authority which relate to the Premises;
- (iii) Not enter into or permit third parties who are within their control to enter into any agreement, lease or contract with any person or persons involved to any extent whether directly or indirectly in the design, supply of materials for or construction of the Premises which would limit, curtail, nullify or otherwise render void or ineffective the Insurers rights or entitlements to the extent of the insurance provided under this Policy;
- (iv) Not exercise or seek to exercise any legal rights or remedies whether directly or indirectly against Insurers in respect of the acts or omissions of the Technical Inspection Service.

(b) Premium Payments

All additional premiums for modifications, alterations or extensions of the Policy must be paid to the Insurers within 30 days of notification to the Insured of the amount due.

(c) Fraudulent Acts

If any claim is fraudulent or if any fraudulent means or devices are used by the Insured or any person acting on behalf of the Insured and entitled to receive any part of the proceeds of insurance under this Policy in order to obtain any benefit under this Policy or if any damage is occasioned by the wilful act of or with the connivance of the Insured, all benefit under this Policy will be forfeited.

(d) Change in Risk

If any material change shall occur varying any of the circumstances disclosed to or known to the Insurers occurring before the Date of Inception which, had it been known to Insurers, would have influenced their acceptance of the risk or the premium at which they would have accepted it, the Insured shall immediately give notice to Insurers of such change with full particulars thereof, and the Insurers shall have the right to vary the terms of the Policy.

(e) Misdescription / Error or Omission

This Policy will be voidable in the event of misrepresentation, misdescription, error, omission or non-disclosure by the Insured with intention to defraud.

6. CLAIMS CONDITIONS

(a) Claims Procedure

Upon manifestation of destruction, damage or threat of imminent destruction or physical damage to the Premises or any other circumstance which may give rise to a claim under this Policy or the happening of any damage not insured under this Policy but which may threaten the stability of the Structural Works, the Insured will at their own expense:

- (i) give written notice to the Insurers as soon as possible (see HOW TO MAKE A CLAIM in section 9 below);
- (ii) take all reasonable precautions to prevent further or any damage;
- (iii) within 60 days of such manifestation submit in writing such details of the claim then available to the Insurers;
- (iv) supply or to the extent this is not possible, assist in procuring all reports, certificates, plans, specifications, quantities information and assistance as may reasonably be required by the Insurers.

(b) Basis of Claim Settlement

In respect of a Defect causing:

- (i) destruction of or physical damage to the Premises, the basis of settlement of the claim shall be the cost of repairing the damage to the Premises or renewing, replacing and/or strengthening those parts of the Premises thereby directly affected to a condition substantially the same but not better than or more extensive than their condition when new except insofar as it is necessary to alter the condition of the Structural Works to relieve the effects of the Defect directly causing the said destruction or damage;
- (ii) the threat of imminent destruction or physical damage, the basis of settlement of the claim shall be the costs necessarily incurred by way of remedial measures to prevent actual destruction or physical damage of the Premises within the Period of Insurance.
- (iii) the cost of any temporary and/or provisional repairs will be met by the Insurers, providing their consent has been granted in writing to such repairs and that these repairs either constitute part of the final repairs or reduce the risk of further damage to the Premises.
- (iv) the cost of any other alteration, additions and/or improvements shall not be recoverable under this Policy except as provided for in Clause b (iii) of the Insuring Agreement.

(c) Arbitration

If any difference arises as to the amount to be paid under this Policy (liability being otherwise admitted), such difference shall be referred to an Arbitrator to be appointed by the parties in accordance with the statutory provisions for the time being in force. Where any such difference is to be referred to Arbitration, the making of an award shall be a condition precedent to right of action against the Insurers.

(d) Other Insurances

The Insurers will not be liable for any claim under this Policy which is insured by any other policy in the name of the Insured or on behalf of the Insured except in respect of any excess beyond the amount that would have been payable under such policy or policies had this insurance not been effected.

(e) Subrogation

Any claimant under this Policy will, at the request and at the expense of the Insurers, do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Insurers for the purposes of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Insurers will be or would become entitled or subrogated upon its paying for or making good any destruction or physical damage or threat of imminent destruction or physical damage under this Policy whether such acts and things will be or become necessary or required before or after indemnity is provided by the Insurers.

(f) Reinstatement

The Sum Insured is reduced by the amount of each and every claim in excess of the Excess from the date of first notification of each and every claim to the Insurers.

The Insured has the option, subject to the agreement in writing of the Insurers, to reinstate the Sum Insured on payment of the appropriate premium.

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7. GENERAL PROVISIONS

(a) Access to Premises

The Insured will allow the Insurers or their representatives access to the Premises at all reasonable times subject to the Insured being supplied with adequate written notice.

(b) Average

The Sum Insured stated in the Schedule of this Policy is hereby declared to be subject to Average.

If at the date of manifestation of a Defect the sum representing 85% of full rebuilding costs of the Premises exceeds the Sum Insured adjusted in accordance with General Provision (c) below, the Insured will only be entitled to recover such proportion of indemnifiable costs as the adjusted Sum Insured herein bears to the full rebuilding costs.

(c) Mid-term Alteration

The Insured may, from time to time request an increase in the Sum Insured stated in the Schedule by written application to the Insurers. If the increase is accepted, cover will commence upon payment to Insurers of such additional premium as they may require.

Before agreeing to such increase the Insurers have the right to request the Insured to arrange an examination of the Premises by the Technical Inspection Service at the expense of the Insured.

(d) Governing Language Law and Jurisdiction

It is hereby agreed that this Policy shall be governed by and construed in accordance with the English language and English Law, and subject to Claims Condition (c) above, the English Courts shall have exclusive jurisdiction in any dispute arising hereunder.

8. SCHEDULE

This Schedule forms part of and is incorporated in Policy Number:

Insurers : Allianz Global Corporate & Specialty AG
 Insured :
 Interest in Premises :
 Premises Insured including address :
 Type of Premises :
 Use of Premises : Private Residential
 Technical Inspection Service : Building LifePlans Ltd

Premium	:	£
Insurance Premium Tax	:	£
Total	:	£
		Dates
Date of Practical Completion	:	
Date of Inception	:	

Period of Insurance	:	10/12 years from the Date of Inception
Sum Insured	:	£
Excess	:	£
Extensions Applicable		
Component Failure		Yes/No
Health and Safety		Yes/No
Contaminated Land		Yes/No

Allianz Global Corporate & Specialty is the UK branch operation of Allianz Global Corporate & Specialty AG, Königstraße 28, 80802 München, Germany. Incorporated with limited liability.
 UK branch registered office: 27 Leadenhall Street, London EC3A 1AA, UK.
 Company No. FC024389. Branch No. BR006950.

Allianz Global Corporate & Specialty AG is authorised by Bundesanstalt für Finanzdienstleistungsaufsicht and regulated by the Financial Services Authority for the conduct of UK business, registration number 214374; this can be checked by visiting the FSA website at www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

9. HOW TO MAKE A CLAIM (see Claims Condition 6(a) above)

Claims are handled by Building LifePlans (BLP) on behalf of Allianz Global Corporate & Specialty. To notify us of a claim you should call BLP on 020 7204 2424, quoting your policy reference number.

You will be asked for a brief summary of the claim or circumstance, and you will be sent a claim form, which you should complete and return to:

Claims Department,
Building LifePlans Ltd,
90 Fenchurch Street,
London EC3M 4ST

10. COMPLAINT HANDLING PROCEDURES

Our aim is to get it right, first time, every time. If we make a mistake we will try to put it right promptly.

We will always confirm to you the receipt of your complaint within five working days and do our best to resolve the problem within four weeks. If we cannot, then we will let you know when an answer may be expected.

If we have not sorted out the situation within eight weeks we will provide you with information about the Financial Ombudsman Service.

Please contact us at:

Customer Satisfaction Manager
Customer Services,
Allianz Global Corporate & Specialty
27 Leadenhall Street
London
EC3A 1AA

Tel. 020 7488 1882
Fax. 020 7488 0509

Email: customerservices@allianzglobalrisks.co.uk

Using our complaints procedure or referral to the Financial Ombudsman Service does not affect your legal rights.

11. FINANCIAL SERVICES COMPENSATION SCHEME

If Allianz Global Corporate & Specialty cannot meet their liabilities, you may be entitled to compensation from the Financial Services Compensation Scheme (FSCS) of up to £2,000 for the first part of the claim and 90% of the remainder of the claim.

Further information about compensation scheme arrangements is available from the FSCS at their website, at www.fscs.org.uk, or by writing to them at the following address:

Financial Services Compensation Scheme
7th Floor, Lloyds Chambers,
Portsofen Street, London E1 8BN
Fax: 020 7892 7301

CONDITIONAL POLICY ENDORSEMENT (attached to and forming part of Policy Number [Policy No]).

It is hereby noted that this Insurance is conditional upon a Technical Review being carried out by BLP and the attached specimen Certificate of Approval being signed at Practical Completion by an authorised signatory of BLP. Any defects discovered during the Technical Review by BLP will be listed upon the Certificate of Approval and excluded from cover unless and until such defects are rectified to the reasonable satisfaction of the Insurer. The Insurers reserve the right to treat defects not reasonably capable of rectification as a basis for cancellation of this policy and in such event the Insurers will not collect the balance of premium and the Policy shall be cancelled upon giving 7 days' notice.

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