

New Home Structural Defects Insurance Policy

Self Build 10

Zurich Self Build 10 New Home Structural Defects Insurance Policy

Welcome to **Your** Zurich **New Home** Structural Defects Insurance policy intended for people who build their own homes. Problems with new homes are rare but if **You** should need this insurance it is important that **You** understand what is and what is not covered. The policy should be accompanied by an **Insurance Certificate**, and is not valid without it.

You will need to read the policy wording, the definitions and conditions, the **Insurance Certificate** and any endorsements printed on it carefully for the full details of cover.

By way of summary, and subject to the conditions and any endorsements printed on the **Insurance Certificate** until ten years after the **Effective Date** on the **Insurance Certificate**, **We** will cover the repair of **Major Physical Damage** caused by building defects in the original construction.

This policy is an agreement, the insurance contract, between **You** and **Us** (Zurich Insurance Company), and is based on the details provided to **Us** by **You** if **You** are the **Self Builder**. If any of those details change before the **Effective Date** **You** must let **Us** know as soon as possible, otherwise it may invalidate the insurance.

The Conditions that apply to all parts of this policy are listed on page 9. Please ensure **You** read the Conditions, as well as “the Insurance” section of this policy document.

Certain words have specific meanings when they appear in this policy. These meanings are shown on page 4 under “Definitions” and appear throughout the policy in bold type.

You may only claim under this policy whilst **You** are the current **Owner**. **You** are not entitled to make or continue a claim under this policy once **You** have sold or otherwise disposed of **Your** interest in the **New Home**.

Your Cancellation Rights

You have the right to cancel this policy. If **You** cancel before the building work has started **We** will return to **You** any premium paid and 90% of the fees paid to **Us**. If the building work has started when **You** cancel **We** will return only the Premium, however **We** are unable to return any premium or fees paid to **Us** if the policy is cancelled after the **Effective Date**. Before **You** decide to cancel the insurance it is important to check with **Your** mortgage lender that **You** will not breach any conditions of **Your** loan. **You** may also want to consider whether cancellation could affect the ability of any subsequent **Owner** to obtain a mortgage.

Definitions

Certain words have specific meanings when they appear in this policy in bold type. These meanings are shown below.

Building Regulations: The building regulations that govern the construction of the **New Home** which were in force at the time the “notice to build” was deposited with the local authority.

Conversion: Where the **New Home** includes all or part of an existing structure, regardless as to whether that structure was originally intended to be used as a dwelling or not.

Effective Date: The date stated to be the effective date of the cover provided by this insurance policy on the **Insurance Certificate**.

Excess: The first amount (**Indexed**), of each claim which is payable by **You** for which no insurance is provided under this policy and which is specified in the **Insurance Certificate**.

Home Condition Report: The report required as part of the Home Information Pack, or any survey report.

Indexed: The relevant amount increased from 1 January 2006 to the date a claim is reported to **Us** in accordance with the House Rebuilding Cost Index published by the Royal Institution of Chartered Surveyors.

Insurance Certificate: The certificate issued by **Us** to signify acceptance of the **New Home** for insurance under this policy. This certificate may be endorsed to include or exclude specified items from cover by **Us**.

Maximum Liability: The maximum amount that **We** are liable to pay in respect of the total amount of all claims under this policy shall be the cost of rebuilding the **New Home** to the **Original Specification**, subject to a maximum of £500,000 (**Indexed**) in respect of the total amount of all claims.

Major Physical Damage: A material difference in the physical condition of a load bearing element of the **New Home** from its intended physical condition which adversely affects its structural stability or resistance to damp and water penetration.

New Home: The property described in the **Insurance Certificate**.

The **New Home** is:

The new property or conversion described in the **Insurance Certificate**, including any:

- a) attached or integral garage, and
- b) drives and paths giving access to the main and second entrance door, and
- c) retaining or boundary wall but only where they form part of or provide support to the structure of the dwelling, and
- d) newly constructed underground drainage systems installed by the **Self Builder** including: newly constructed pipes, channels, gullies and inspection chambers within the property described in the **Insurance Certificate** for which the **Owner** is responsible, and
- e) any security or surveillance systems installed by the **Self Builder**, and
- f) in a conversion, the existing structure of the home forming the foundations, walls, floors and roof.

Note: Footpaths and retaining or boundary walls not forming part of or providing support to the structure of the dwelling are only part of the **New Home** where they have been included by **Us** by an appropriate endorsement on the **Insurance Certificate**.

The **New Home** is *not*:

barns, stables, conservatories, decorative flooring including laminates, carpets, tiles, parquet etc, detached garages, swimming pools, swimming pool enclosures, lifts, escalators, temporary structures, other permanent outbuildings, gardens, garden structures and sheds, paths, driveways, access roads, supply pipes and cables, patios, fences, boundary and retaining walls, household appliances, electronic keys, contents, original structures and services, other items specifically excluded or not included in items a) to f) opposite, any cesspools, septic tanks, treatment plants, outfalls, soakaways, pumping equipment, and associated equipment and any other items not within the legal boundary of the **New Home** or any work not carried out by or on behalf of the **Self Builder**.

The **New Home** does *not* include:

basements or semi-basements unless shown for residing or sleeping purposes in plans deposited with the local planning authority before the **Effective Date** on the **Insurance Certificate**.

Original Specification: The specification used to construct the **New Home** up until the **Effective Date** shown on the **Insurance Certificate**.

Owner/You/Your: The person/s having a freehold or leasehold interest in the **New Home** for the time being or any mortgagee in possession.

Requirements: The requirements contained within the technical manual issued by **Us** and in force at the time when the appropriate “notice to build” in respect of the **New Home** was deposited with the local authority for the purposes of the **Building Regulations**. For the avoidance of doubt, **Requirements** is not to be taken to include Planning Authority conditions. As a guide **You** can obtain a copy of the current **Requirements** by contacting Zurich Insurance Company or at www.zurich.co.uk/buildingguarantee.

Self Builder: The **Owner** who causes the **New Home** to be built for their own private occupation either as builder, project manager or employer of a main contractor or series of sub contractors.

Site: The area within the boundary of the development registered with **Us** and of which the **New Home** is a part.

We/Our/Us: Zurich Insurance Company

The Insurance

Section 1

What We will pay from the Effective Date until the tenth anniversary of the Effective Date

- 1.1 The reasonable cost of rectifying or repairing **Major Physical Damage** which is caused by a failure by the **Self Builder** to comply with the **Requirements** in the construction of the **New Home**
- 1.2 The reasonable cost of rectifying a present or imminent danger to the physical health and safety to the occupants caused by the failure of the **Self Builder** to comply with the **Building Regulations** in respect of the following:
 - Structure
 - Fire safety
 - Site preparation and resistance to moisture
 - Hygiene
 - Drainage and waste disposal
 - Heat-producing appliances
 - Glazing – safety in relation to impact, opening and cleaning
- 1.3 The reasonable cost of alternative accommodation where the **New Home** is not fit for habitation as a result of the carrying out of remedial works by **Us** covered under the terms of this policy provided that **You** have first obtained **Our** written consent to such costs being incurred
- 1.4 Professional fees incurred in connection with **Your** claim, provided that **You** have first obtained **Our** written consent to such costs being incurred

What We will *not* pay under Section 1

- Claims for anything that is not part of the **New Home**
- Anything excluded by endorsement on the **Insurance Certificate**
- Any claim caused by the failure of the **Self Builder** to correct defects, repair damage or to follow construction advice notified in writing to the **Self Builder** by **Us** or **Our** agents before the **Effective Date**
- Claims for any loss that is caused by anything other than the failure by the **Self Builder** to build to the **Requirements**
- Claims for any loss that is caused by the negligence or neglect of the **Self Builder**
- Any repair that exceeds the **Original Specification** for the **New Home**
- Any sum that exceeds our **Maximum Liability**
- Any loss resulting from flooding or a change in the water table level, including water logging of gardens
- Any sum in connection with death, injury to the body or mental health, loss of enjoyment, use, income, business opportunity, or inconvenience, stress or any other consequential or financial loss of any description
- Any claim or contribution to a claim where cover is available under another insurance policy, or where some other form of compensation or damages is available to **You**
- Any loss or damage caused by pollution, contamination or ionising radiation, except claims covered by Section 2
- Additional costs arising from unreasonable delays in reporting a claim to **Us**
- Any reduction in value of the **New Home**
- Sums in connection with or caused to or by the presence of a swimming pool, lift or lift shaft, escalator, or associated plant and equipment
- Any loss caused by storm force conditions

Section 1 continued

What We will *not* pay under Section 1

- Claims for the prevention of, or any loss caused by surface or any other form of condensation
- Any sums in respect of the **Excess**
- Claims for wear, tear, neglect, lack of maintenance, scratching, chipping, staining, fading, efflorescence, changes in colour, opacity or texture
- Reinstatement of any areas not directly affected by **Major Physical Damage**
- Any loss due to or arising from any alteration, modification or addition to the **New Home** after the date shown on the **Insurance Certificate**
- Anything for which a sum of money has been withheld from a contract sum or purchase price
- Any costs that have been taken into account by **Us** in connection with a claim from a previous **Owner**
- Anything that **You** knew about when **You** purchased the **New Home** or the land on which it stands including any items mentioned in a **Home Condition Report** or survey
- Claims by any person(s) other than the **Owner**
- Any claim where **We** have not issued a valid **Insurance Certificate**

Section 2

What We will pay in addition to Section 1 above where Section 2 is included by endorsement on the Insurance Certificate, from after the Effective Date until the 10th anniversary of the Effective Date

2. From the Effective Date, until the 10th anniversary of the Effective Date, We will pay the cost of removing or containing contaminants in the ground where:
 - a) the contaminants were known to be harmful and known to exist on the Site at the time the “notice to build” was deposited with the local authority; and
 - b) the removal or containment of the known contaminants was part of the original Site preparation scheme; and
 - c) where a Government Department or local authority has issued You with a Notification of the Identification of Contaminated Land.

In addition to what We will *not* pay under Section 1 above under Section 2 We will *not* pay

- Any sum exceeding our Maximum Liability
- Any claim in connection with contamination outside the boundary of the Site
- Any claim in connection with contamination that migrates onto the Site
- Any claim in connection with contamination that migrates from the Site
- Any claim for anything that was not considered to be harmful at the time the “notice to build” was deposited with the local authority but is later considered to be harmful
- Any claim in respect of contaminants or contamination at the Site not identified prior to the “notice to build” being deposited with the local authority
- Any claim for anything that arises out of a change in legislation or definition of contamination or harmful material that occurs after the date the “notice to build” was deposited with the local authority
- Any claim in connection with ionising radiation
- Any claim where We have not issued a valid Insurance Certificate endorsed to include Section 2
- Claims by any person(s) other than the Owner
- Any sum in respect of the Excess

Conditions

The following Conditions shall apply to this policy:

1. Claims Notification

On discovery of any item of claim, or on receiving a statutory notice, or an indication that such a notice is likely to be served which is likely to give rise to a claim under this insurance **You** shall as soon as reasonably possible:

- a) take all reasonable steps to prevent further loss; and
- b) give written notice to **Us**; and
- c) if requested by **Us** and at **Your** expense, submit in writing full details of the claim and supply all reports, plans, certificates, specifications, quantities, statutory notices or other information and assistance as **We** may reasonably require to verify the claim; and
- d) provide to **Us** professional reports at **Your** expense to verify the claim where it relates to the performance of central heating, sound insulation, squeaking floors.

Where **We** subsequently accept the claim, **We** will reimburse the reasonable expenses incurred in obtaining the reports detailed in clauses c) and d) above.

2. Our Rights

Where **We** accept a claim under this policy, **We** and **Our** agents shall be entitled to have reasonable access to the **New Home** and shall also be entitled to remain in occupation for as long as is necessary in order to carry out proper repairs to **Our** satisfaction. For the avoidance of doubt, where reasonable access cannot be gained to the **New Home** within a reasonable period of time, no claim shall be accepted.

3. Recoveries from Third Parties

We are entitled to take proceedings at **Our** own expense, but in **Your** name, to secure compensation from any third party in respect of any claim accepted by **Us** under this policy.

4. Abandonment

No property may be abandoned to **Us**.

5. Fraud

If any claim under this insurance is fraudulent in any respect, or if any fraudulent means or devices are used by **You**, or anyone acting on **Your** behalf to obtain benefit under this policy, all benefits contained in this policy shall be forfeited.

6. Retention

Any monies retained or withheld by **You** under the terms of a contract or for any reason shall be taken into consideration and offset against any claim made under this insurance. **We** shall have the option to refuse to accept any claim under this policy until a dispute over retention moneys between **You** and the other party, or parties, to the contract has been settled.

7. Notification of Change of Ownership

You shall notify **Us** of any change of ownership of the freehold or leasehold interest in the **New Home** as soon as possible.

8. Limitation of Our liability

Our liability is limited to the insurance included in this policy only or as altered by endorsement. Any inspections or other risk control procedures adopted by Us are solely for Our benefit and do not confirm or imply that the New Home is or will be free of defects or damage.

9. Governing law and jurisdiction

This policy will be governed by English Law and subject to the jurisdiction of the English Courts.

10. Termination

This policy shall terminate automatically without refund of premium in the event that:

- a) the New Home is destroyed by a cause other than that insured against in this policy; or
- b) We have paid Our Maximum Liability; or
- c) Any fraudulent claim is made under this policy.

Complaints

We endeavour to deal with all claims sympathetically. However, We recognise that disputes can arise from time to time.

If you wish to dispute a claim

If You are dissatisfied with the way in which We have dealt with a claim, We suggest You adopt the following procedure:

Stage 1

Contact the Claims Manager of Building Guarantee in writing.

Stage 2

If You remain dissatisfied, short of court action, You may choose to refer any dispute or difference with regard to the policy to the Chief Executive at The Grange, Bishop's Cleeve, Cheltenham, Gloucestershire, GL2 8XX.

E-mail: chiefexecutive@uk.zurich.com

Alternatively, if You are still unhappy with the way We have dealt with your complaint, You may have the right to ask the Financial Ombudsman Service to review Your case (see Where to get advice or assistance).

Who to contact at Zurich Financial Services

- The Claims Manager or Property Claims Manager, Zurich Insurance Company, Building Guarantee, Southwood Crescent, Farnborough, Hampshire GU14 0NJ. Tel: 01252 377474.

Where to get advice or assistance

- **Citizens Advice Bureau:** See your local telephone directory for their address and telephone number.
- **Financial Ombudsman Service:** South Quay Plaza, 183 Marsh Wall, London E14 9SR. Tel: 0845 080 1800
E-mail: complaint.info@financial-ombudsman.org.uk

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation should We be unable to meet our obligations. Further information is available on www.fscs.org.uk or You may contact the FSCS on 020 7892 7300.

Zurich Insurance Company Building Guarantee

6 Southwood Crescent, Farnborough, Hampshire GU14 0NJ. Telephone 01252 377474. Fax 01252 372989.
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