

10 YEAR POLICY DOCUMENT

ALPHA INSURANCE

CONSTRUCTION INSURANCE
FOR THE VENTUROUS OF SPIRIT

CONTENTS

4	Understanding Your Policy
5	The Law Applicable to this Policy
6	Your Right to Cancel
7	Definitions
14	Structural Insurance
15	The Benefits
24	Automatic Extensions of the Policy
25	Exclusions
27	General Conditions
29	Limits of Indemnity
30	How to Make a Claim
31	Complaints Procedure

IMPORTANT CONTACTS

This policy is subject to the premium having been paid, is a contract of insurance between you (or any subsequent owner of the Property) (the Policyholder) as named in the Insurance Period Certificate and Alpha Insurance A/S, Harbour House, Sundkrogsgade 21, DK-2100 Copenhagen, Denmark (The Insurer). Alpha Insurance A/S are authorised by the Financial Conduct Authority to write policies in the UK Under Authorisation Number 431621.

BCR Legal Group Limited acts as Underwriting Agent & Scheme Administrator for Alpha Insurance A/S and is authorised and regulated by the Financial Conduct Authority under Firm Registration Number 480599.

CRL Management Limited is listed by the Financial Conduct Authority under Firm Registration Number 553321 as an Appointed representative of BCR Legal Group Limited.

UNDERSTANDING YOUR POLICY

The **Policyholder** is requested to read the whole of this **Policy** wording, the **Insurance Period Certificate** 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 CRL Management Limited at its Administration Office: Village 5, 15th Floor, 110 Bishopsgate, London, EC2N 4AY or on +44 (0) 28 9066 7899.

Unless otherwise stated on the Insurance elsewhere in this policy, the policy provides the **Policyholder** with the following benefits:

Where **You** have paid a **Deposit(s)** to the **Developer** and the **Developer** becomes insolvent your **Deposit(s)** are covered.

Once the building of the **Property** has been completed;

- a. the **Property** is insured from the date of practical completion or the **Insurance Commencement Date** whichever is the latter and as specified in the **Insurance Period Certificate** for a period expiring 10 years from the date of practical completion against **Defects** arising from the failure of the **Developer** to comply with the **CRL Technical Requirements** (Section 2) and **Major Damage** as specifically caused by a structural or latent **Defect** during the course of construction. (Section 3)
- b. In addition to Section 1, 2 and 3 the policy insures against the cost of removal or containment of **Contamination** (Section 4) 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 out of the use or ownership of the **Property**. The **Insurer** will not be liable for any **Defects** discovered by or known to the **Policyholder** prior to the purchase of the **Property**.

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

THE LAW APPLICABLE TO THIS POLICY

Unless otherwise agreed, this contract of insurance is subject to the laws of England and Wales.

Notes

1. For this **Policy** to be valid there must be a signed **Insurance Period Certificate** held by the **Policyholder**. This should be kept with the **Policy** and must be provided at the time of any claim.
2. Any amendments and/or alterations to this policy whether applied at the time of issue of the **Policy** and/or subsequently later 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.

YOUR RIGHT TO CANCEL

You the **Policyholder** have the right to cancel this **Policy** by notifying the **Insurer** of your wish to cancel it. However this must be done within 14 days, starting on the day after you receive this **Policy**, together with returning this document and the **Building Period Certificate** and the **Insurance Certificate**. Their contact details are:

BCR Legal Group Limited
25 Dollis Park
London
N31HJ

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

Before cancelling the **Policy** please check with **Your** mortgage lender because they may require **You** to have this cover or its equivalent as a condition of the loan. Please remember also that if **You** sell the **Property** within the period of the insurance, cancellation could affect the ability of any subsequent purchaser to obtain a mortgage.

If your **Property** includes Common Parts for which you are jointly responsible with owners of other **Property**, your cancellation will apply to both the cover on your individual **Property** and the cover for your share of the cost of any claim relating to the Common Parts. So if you cancel your cover, you will be obliged under your lease or title to contribute to the cost of repairs along with your neighbours.

DEFINITIONS

Wherever any of the following words appear in Titlecase in the policy wording, they will have the undermentioned meaning.

BUILDER

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

BUILDING REGULATIONS

The **Building Regulations** that govern the construction of the **Property** which were in force at the time the 'notice to build' was deposited with the local authority.

COMMON PARTS

Those parts of a multi ownership building or multi-unit building owned by a single owner (of which the **Property** is part) for a common or general use for which the **Policyholder** has joint or single ownership or legal responsibility

CONSTRUCTION WORKS

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

CONSTRUCTION REGISTER

The list of Builders and Developers registered as Members with **CRL**.

CONTAMINANT/CONTAMINATION

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

CRL

CRL Management Limited, the **Technical Controller** for the **Insurer**, which maintains the **Construction Register** and whose registered office is 68 Lombard Street, London EC3V 9LJ. **CRL** is an insurance intermediary which is an appointed representative of BCR Legal Group Limited under the Financial Services Registration number 480599.

CRL TECHNICAL REQUIREMENTS

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

CRL 10 YEAR POLICY DOCUMENT

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

DAMAGE

Damage caused by **Defect**.

DEFECT

A failure to comply with a requirement in the **CRL Technical Requirements** in respect of the **Construction Works** which will or is likely to cause damage to the **Property**.

(Failure to follow the performance standards or guidance supporting the functional requirements will not in itself amount to a **Defect** as it may be possible to achieve the recommended performance in other ways).

DEPOSIT

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

DEVELOPER

Either; Any person, sole trader, partnership or company with whom the **Policyholder** has entered into an agreement or contract to purchase the **Property** on either a freehold or leasehold basis, or;
Any person, sole trader, partnership or company that constructs the **Property** and with whom the **Policyholder** has entered into an agreement or contract to purchase on either a freehold or leasehold basis.

DEVELOPER WARRANTY COVER START DATE

The date stated as the **Developer Warranty Cover** Start Date in the **Insurance Period Certificate**.

DEVELOPER WARRANTY PERIOD

The period beginning on **Developer Warranty Cover** Start Date and ending on the date:

- two years after the **Developer Warranty Cover Start Date**; or
- for **Common Parts** protected by more than one Combined Policy or similar policy issued by the **Insurer**:
 - o three years after the first **Developer Warranty Cover Start Date** for a **Property** that shares the **Common Parts** and is protected by the **Insurer**; or if later
 - o two years after the last **Developer Warranty Cover Start Date** for a **Property** that shares the **Common Parts** and is protected by the **Insurer**.

DISPUTE RESOLUTION PROCESS

The process set out in the **Construction Register** members rules by which the **Developer** is required promptly, fairly and professionally to:

- investigate, assess and resolve any notification from **You** of **Damage** or **Defect** during the first two years of the **Structural Damage** and **Contamination Insurance Period**;
- co-operate with the building surveyor appointed by **CRL** to resolve a dispute between **You** and the **Developer** about the investigation, assessment and resolution of such a notification.
- carry out any repair and rectification work determined by the building surveyor to repair the **Damage** and/or rectify the **Defect**.

EXCESS

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

FRAUD

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

INITIAL PREMIUM

The **premium** notified by **CRL** to the **Developer** in its **Quotation**.

INSOLVENT/INSOLVENCY

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

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

INSURANCE PERIOD CERTIFICATE

The certificate issued on behalf of the **Insurer** to signify acceptance of each **Property** for insurance under Sections 1 and 2 hereunder following the notification of satisfactory practical completion by the appointed building inspector.

INSURER

Alpha Insurance A/S of Harbour House, Sundkrogsade 21, DK-2100, Copenhagen, Denmark.

LIMITS OF INDEMNITY

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

The Limit of Indemnity is index-linked in accordance with the House Re-building Cost index prepared by the Royal Institution of Chartered Surveyors on each anniversary date of the commencement of the period of insurance under Sections 1, 2, 3 and 4.

MAJOR DAMAGE

- a) Destruction of or physical **Damage** to a load bearing element of the **Property** caused by a **Defect** in the design, workmanship, material or components of the **Structure** which adversely affects the structural stability or resistance to damp and water penetration; or
- b) A condition requiring immediate remedial action to prevent **Damage** to a load bearing element of the **Property** which adversely affects the structural stability or resistance to damp and water penetration; or
- c) A condition requiring immediate remedial action to prevent imminent danger to the health and safety of the occupants caused by a **Defect** in the design, workmanship, material, components of the **Structure** or failure of the **Developer** to comply with **Building Regulations** in respect of chimneys and flues; which is discovered and notified to the **Insurer** during the **Structural Insurance Period**.

MEMBER

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

NEW DEVELOPMENT

A **Property** or group of **Properties** located at the Site.

NOTICE TO BUILD

Either:

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

CRL 10 YEAR POLICY DOCUMENT

NOTIFICATION OF THE IDENTIFICATION OF CONTAMINATED LAND

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

QUOTATION

The form in which **CRL** notifies the **Developer** of the **Initial Premium**.

QUOTATION ACCEPTANCE

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

REMEDICATION NOTICE

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

POLICY

This document.

POLICY DOCUMENTS

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

The **Policy** document

- The **Pre-completion Insurance Certificate**
- The **Post-completion Insurance Certificate**

POLICYHOLDER

The purchaser or owner of the property which is the subject of this insurance acquiring a freehold, leasehold, or Scottish Title and Commonhold interest in the **Property** or their successor in title, or any mortgagee or lessor whose interest has been noted under the **Policy**.

PRE-COMPLETION INSURANCE CERTIFICATE

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

POST-COMPLETION INSURANCE CERTIFICATE

The certificate issued by **CRL** as **Technical Controller** on behalf of the **Insurer** to signify acceptance of **Your Property** or property for insurance under Sections 2, 3 and 4 of the Cover section of the **Policy** following the notification of satisfactory practical completion by the appointed building inspector.

PREMIUM

The **Initial Premium** and any **Adjusted Premium**.

PROPERTY

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) any **Common Parts** relating to boundary walls forming part of or providing access for the disabled;
- d) the drainage system within the perimeter of such property for which the **Policyholder** is responsible;
- e) any garage or other permanent out-building. It does not include nor provide any insurance for any swimming pool, temporary structure, free-standing household appliance, fence, retaining or boundary wall not forming part of or providing support to the **Structure**, any path or roadway not providing access for the disabled.

SITE

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

STRUCTURE

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

- a) foundations;
- b) load-bearing parts of floors, staircases and associated guard rails, walls and roofs, together with load-bearing retaining walls necessary for stability;
- c) roof covering;
- d) any external finishing surface (including rendering) necessary for the water-tightness of the external envelope;
- e) floor decking and screeds.

STRUCTURAL DAMAGE AND CONTAMINATION INSURANCE PERIOD

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

STRUCTURAL DAMAGE AND CONTAMINATION INSURANCE START DATE

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

TECHNICAL CONTROLLER

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

WATERPROOFING ENVELOPE

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

YOU/YOUR

You, the **Policyholder**:

- The person or corporate entity or their successor reserving the **Property** from the **Developer**; see **Policyholder**

STRUCTURAL INSURANCE

STRUCTURAL INSURANCE PERIOD

The period expiring on 10 years from the date of practical completion against **Major Damage** (as specifically defined under DEFINITIONS) as specifically caused by a structural or latent **Defect** during the course of construction and as detailed in the **Insurance Period Certificate** for the **Property**.

THE PREMIUM AND INSURANCE CONTRACT

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

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

The **Developer** must pay:

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

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

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

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

- **CRL** will not issue the **Post-completion Insurance Certificate**, if that has not yet happened and/or
- You will be covered under Section 1 of the Cover below, but not Sections 2, 3 and 4 .

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

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

If the **Developer** does not comply with **CRL's** requirements, the **Insurer** will not issue a **Post-completion Insurance Certificate** and you will not be covered under Sections 2, 3 and 4 of the **Policy**.

THE BENEFITS

SECTION 1

DEPOSIT PROTECTION COVER FOR BUYING OFF PLAN

WHEN DOES THIS COVER APPLY

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

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

WHAT THE INSURER WILL COVER

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

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

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

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

WHEN CAN YOU MAKE A CLAIM

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

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

WHAT THE INSURER WILL NOT COVER

The **Insurer** will not cover:

- Any claim notified to it more than 24 months after the date of the **Pre-completion Insurance Certificate**;
- Any claim on a **Policy** for which **Deposit** cover is specifically excluded in the **Pre-completion Insurance Certificate**;

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

The **Insurer** will also not cover:

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

WHAT CONDITIONS APPLY TO THIS COVER

The following conditions apply to this cover:

You must:

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

SECTION 2

DEFECTS COVER FOR BUYING OFF PLAN AND COMPLETED PROPERTIES

When does this cover apply

- This cover applies when CRL Management Limited has given the **Policyholder** an **Insurance Period Certificate** and:
 - o the **Policyholder** finds out that the **Developer** has failed to comply with the **CRL Technical Requirements** when carrying out the **Construction Works**, resulting in **Defect(s)**;
 - o the **Policyholder** tells the **Developer** and CRL Management Limited of the **Defect(s)** (and any resulting **Damage**) within the **Developer Warranty Period**;
 - o the **Developer** has not repaired all the **Damage** or rectified all the **Defects** or has not paid for the reasonable cost of removal and storage of the **Policyholder's** possessions and for alternative accommodation, if that is necessary while this work is being done; and
 - o any of the following apply:
 - the **Developer** has not co-operated with the **Dispute Resolution Process** if the **Policyholder** have chosen to use it;
 - the **Developer** has not complied with a legally binding determination;
 - the **Developer** has become **Insolvent**.

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

WHAT THE INSURER WILL COVER UNDER THIS SECTION

- The **Insurer** will cover the costs of repairing **Damage** and/or rectifying **Defects** caused by the **Developer's** failure to comply with the **CRL Technical Requirements**; and
- The **Automatic Extensions of Cover** in the section below.

WHEN CAN THE POLICYHOLDER MAKE A CLAIM UNDER THIS SECTION

- The **Policyholder** can make a claim at any time under this section of cover but the **Policyholder** must have notified the **Developer** and CRL Management Limited of the **Damage** or **Defect** during the **Developer Warranty Period**.

WHAT THE INSURER WILL NOT COVER UNDER THIS SECTION

- The **Insurer** will not cover:
 - o Any **Damage** or **Defect** not notified to the both the **Developer** and CRL Management Limited within the **Developer Warranty Period**.
 - o Anything which is included in section 3 of this **Policy**
 - o Any **Damage** or **Defect** for which:
 - o The **Developer** has co-operated with the **Dispute Resolution Process** if the **Policyholder** has chosen to use it;
 - o the **Developer** has complied with a legally binding determination;
 - o the **Developer** has not become **Insolvent**.
- The **Insurer** will also not cover anything which is not a breach of a requirement of the **CRL Technical Requirements** by the **Developer**, including
 - o Deterioration caused by neglect or failure to carry out normal or specific maintenance;
 - o Dampness, condensation or shrinkage not caused by a **Defect**;
 - o **Defect** to the central heating system(s) and associated pipework, fitted appliances or plumbing works;
 - o Items that have been subsequently altered on behalf of the **Policyholder** at their request, written or otherwise.
 - o Chips, scratches, brush marks, and other associated minor blemishes to fittings and/or decoration.
 - o Contractual disputes between the **Developer** and the **Policyholder** or issues regarding specification of items;
 - o Drawing performance of Chimneys;
 - o Adjustment of doors following the fitting of carpets and or floor coverings and/or flooring;
 - o External landscaping or garden features and decks unless they form an intrinsic part of the external Envelope.
 - o Any path including those which do not provide access for the disabled, car parks, alarm systems.
 - o Any floor, wall and ceiling finishes

THE INSURER WILL ALSO NOT COVER

- The **Excess** shown in the **Insurance Period Certificate**
- Anything set out in the GENERAL EXCLUSIONS section of this **Policy**
- Anything above the **Limit of Indemnity**
- Any claim in which the **Policyholder** has not complied with the conditions set out immediately below.

What conditions apply to cover under this section

- The following conditions apply to this cover:
 - o the **Policyholder** must notify the **Developer** and CRL Management Limited of the **Damage** or **Defect** within the **Developer Warranty Period**;
 - o the **Policyholder** must notify the **Developer** and CRL Management Limited as soon as the **Policyholder** reasonably can of the **Damage** or **Defect** (but in any event within the **Developer Warranty Period**);
- The GENERAL CONDITIONS also apply this to cover under this section.

SECTION 3

STRUCTURAL INSURANCE COVER

WHEN DOES THIS COVER APPLY

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

- **Your Property** has been affected by **Major Damage**;
- **You** make a claim within the 10 year **Structural Damage and Contamination Insurance Period**

BUT if the **Major Damage** arises in the first two years of the **Structural Damage** and **Contamination Insurance Period**, this cover only applies if:

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

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

WHAT THE INSURER WILL COVER

The **Insurer** will indemnify the **Policyholder** against all claims discovered and notified to the **Insurer** during the **Structural Damage and contamination Insurance Period** in respect of;

The cost of complete or partial rebuilding of or rectifying work to the **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 **Property** to its original specification.

WHAT THE INSURER WILL NOT COVER

The **Insurer** will not cover:

- the Excess shown in the **Post-completion Insurance Certificate**
- anything set out in the **GENERAL EXCLUSIONS** section of this **Policy**
- anything above the **Limit of Indemnity**
- **Damage to Your** property not caused by latent **Defects** (for example fire, storm, flood, collision, **Damage**)
- anything not claimed within the 10 year **Structural Damage and Contamination Insurance Period**

- **Major Damage** arising in the first two years of the **Structural Damage and Contamination Insurance Period**, unless you have used the **Dispute Resolution Process** and taken the steps set out in the second bullet point of “When does this cover apply”

In the event of a claim under this Section the **Insurer** has the option either of paying the cost of repairing, replacing or rectifying any **Damage** resulting from item 1 above or itself arranging to have such **Damage** corrected.

WHAT CONDITIONS APPLY TO COVER UNDER THIS SECTION

the **Insurer** may settle a claim under this section by:

- paying the cost of repairing, replacing or rectifying any **Major Damage** covered by this section; or
- itself arranging to have such **Major Damage** repaired, replaced or rectified.

The GENERAL CONDITIONS apply to cover under this section

SECTION 4

CONTAMINATION

WHEN DOES THIS COVER APPLY

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

- **Your Property** has been affected by **Contamination**; and
- **You** make a claim within the 10 year **Structural Damage and Contamination Insurance Period**.

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

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

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

What the Insurer will cover

The **Insurer** will indemnify the **Policyholder** during the **Structural Damage and Contamination Insurance Period** for 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 has issued the **Policyholder** with a Notification of the Identification of **Contaminated Land**

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

WHEN CAN YOU MAKE A CLAIM

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

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

WHAT THE INSURER WILL NOT COVER

The **Insurer** will not 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** that 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 the local authority but is later considered to be harmful; or
5. in respect of contaminants or **contamination** at the **Site** not identified prior to the ‘**notice to build**’ being deposited with the local authority; or
6. 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 with the local authority; or
7. in connection with ionising radiation.

The **Insurer** will also not cover:

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

WHAT CONDITIONS APPLY TO THIS COVER

The following conditions apply to cover under this section:

- the **Insurer** may settle a claim under this section by
 - o paying the cost of removal or **containment** of the **Contaminants**; or
 - o itself arranging for the removal or **containment** of the **Contaminants**.
- The GENERAL CONDITIONS apply to cover under this section.

IN THE EVENT OF A CLAIM

In the event of the **purchaser** making a claim under this section, they are required to contact the **Insurer** in writing as soon as they believe the **Developer** might be insolvent or has acted fraudulently, or may not complete the property in accordance with the contract. The **purchaser** must also do the following:-
Provide the **Insurer** with any evidence they have that the **Developer** may be **insolvent**, may have acted fraudulently or may not complete the construction of the property obtain **CRL's** (the **Insurers**) written agreement before they take any action to have work done on the property send the **Insurer** any additional information it may request relating to the property, which may include copies of correspondence, notes of telephone conversations, contracts, plans, quotations, receipts or any other information which may be pertinent to the **Insurers** assessment of a claim.

AUTOMATIC EXTENSIONS OF THE POLICY

In addition, in the event of a claim under Sections 1 and 2 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 **Property** is uninhabitable.

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 **Property** but shall not include costs or fees incurred by the **Policyholder** in investigating and/or preparing a claim without the **Insurer's** prior written consent to such costs being incurred.

4. REMOVAL OF DEBRIS

For each **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 **Property**.

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 or addition to the **Property** after the issue of the **Insurance Period Certificate**.

2. CHANGE IN COLOUR

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

3. CONSEQUENTIAL LOSS

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

4. DEFECTS IN EXISTING WORKS

Loss or **Damage** due to or arising out of any **Defect** in the design, workmanship, materials or components of the **Property** that was installed or constructed prior to the **Construction works** that are the subject of this **Policy**.

5. HUMIDITY

Loss or **Damage** caused by or consequent upon humidity in the **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 **Property**.

6. MAINTENANCE AND USE

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

7. PERSONAL INJURY

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

8. PRIOR KNOWLEDGE

Anything which would constitute a valid claim under the **Policy** and about which the **Policyholder** was aware of or should have been aware of prior to purchasing the **Property**.

9. 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 radiations from or **Contamination** by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- b) the radioactive, toxic, explosive or other hazardous or contamination properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- 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.
- e) any chemical, biological, bio-chemical, or electromagnetic weapon.

10. REASONABLENESS

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

11. SEEPAGE

Loss or **Damage** caused by seepage of water into the **Property** insured below ground floor slab level.

12. SETTLEMENT

Loss or **Damage** caused by or consequent upon normal settlement or bedding down of the **Property**.

13. SONIC BANGS

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

14. SPECIAL PERILS

Loss or **Damage** caused by or consequent upon fire, lightning, explosion, typhoon, hurricane, cyclone, volcanic eruption, earthquake, storm, tempest, flood, subterranean fire or other convulsion of nature, aircraft or other aerial devices or articles dropping therefrom, escape of water from tanks, apparatus or pipes, malicious persons, theft, attempted theft, impact or any accidental cause.

15. SUBSIDENCE

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

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

16. TOXIC MOULD

Loss, damage or bodily injury arising out of any pathogenic organisms regardless of any other cause or event that contributed concurrently or in any sequence to that liability. Pathogenic organisms means any bacteria, yeasts, mildew, viruses, fungi, mould or their spores, mycotoxins or other metabolic products.

17. VERMIN

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

18. WAR AND TERRORISM RISKS

Any claim whatsoever in respect of loss, damage or liability directly or indirectly occasioned by, happening through or in consequence of war, invasion, any act of terrorism, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

19. WATER TABLE

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

20. WEAR AND TEAR

Loss or damage caused by or attributable to:

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

21. PYRITES

Loss or damage caused to the **Property** due to the presence of lignite or pyrites either in the ground material or building materials.

22. MINING

Loss or damage caused to the **Property** due to mining.

23. WILFUL ACTS

Any wilful neglect or criminal act of the **Policyholder** or any other party.

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, the **Policy** shall be limited to any amount in excess of such insurance, damages or compensation.

2. FRAUD

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

3. INDEX LINKING

The **Limit of Indemnity** referred to within this **Policy** will be increased in line with the House Re-building Cost Index prepared by the Royal Institution of Chartered Surveyors on each anniversary date of the commencement of the period of insurance under Sections 2, 3 and 4 of this **Policy**.

For the purpose of settlement of any claim hereunder the **Limit of Indemnity**, as adjusted in accordance with the foregoing provision shall be regarded as the **Limit of Indemnity** at the time of discovery by 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** and which has been notified to the **Insurer**, the **Insurer** and its agents shall, with the permission of the **Policyholder** be entitled to enter the **Property**. This will be in order to investigate, and if provided for under the **Policy**, carry out proper repairs or the complete or partial rebuilding of the **Property** to the **Insurer's** satisfaction. For the avoidance of doubt, where reasonable access cannot be gained to the **Property** within a reasonable period of time, no claim shall be accepted.

5. MISREPRESENTATION

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

6. RECOVERIES FROM THIRD PARTIES

The **Insurer** is entitled and the **Policyholder** gives consent to the **Insurer** to control and settle any claim and to take proceedings at its own expense but in the name of the **Policyholder** to secure compensation from any third party in respect of any claim accepted by the **Insurer** under 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.

LIMITS OF INDEMNITY

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

SECTION 1

DEPOSIT PROTECTION COVER FOR BUYING OFF PLAN

The aggregate liability of the **Insurer** for all claims relating to the property under this section, taken together, will be limited to the amount stated in the **Certificate**. The limits for Section 1 are index-linked in accordance with General Condition 3 of the **Policy**.

SECTIONS 2 AND 3

STRUCTURAL INSURANCE COVER

£1,000,000 for any one **Property** or the rebuilding cost for the **Property**, whichever is the lesser.

The limit for all **Properties** in one continuous **Structure** is £1,000,000 or the rebuilding cost for the **Properties**, whichever is the lesser.

COMMON PARTS

The maximum the **Insurer** will pay for any one claim relating to the **Common Parts** will be the amount that the **Policyholder** has a legal liability to contribute (save were in single ownership where there is no legal liability in which case the **Limit of Indemnity** above only will apply) towards the cost of repairs rectification or rebuilding works. All claims for the individual Sections detailed above and the **Excess** as detailed in the **Post-Completion Insurance Certificate** and schedule.

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

SECTION 4

CONTAMINATION

£1,000,000 for any one **Property** or the rebuilding cost for the **Property**, whichever is the lesser.

The limit of indemnity for all **Properties** is £1,000,000 per declared risk (Per individual property for continuous structures).

The limits for Section 4 are index-linked in accordance with General Condition 3 of the **Policy**.

HOW TO MAKE A CLAIM

On the discovery of any occurrence of circumstances that may possibly give rise to a potential claim under any section of this **Policy**, the **Policyholder** shall as soon as reasonably possible:

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

C/o Claims Department
BCR Legal Group Limited
25 Dollis Park
London
N3 1HJ

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

Where the claim relates to the initial two year period of the **Structural Insurance Period**, or three years for **Common Parts**, the **Builder** will be responsible for all remedial work in accordance with **CRL technical requirements**. A dispute resolution service is offered under this **Policy** between the **Policyholder** and the **Developer**. If the dispute procedure is not successful the claim will be dealt with under this **Policy**.

COMPLAINTS PROCEDURE

We care about the service we provide to you and we make every effort to maintain the highest possible standards. If you have any questions about the policy please ask us. Please have this document available so that we can deal with your enquiry speedily.

Although we set ourselves high standards, if we do not meet your expectations and you are dissatisfied in some way we would like to know. If you follow the guidelines below, your complaint will be dealt with in the most efficient way possible.

Any complaints about this policy or related services should, in the first instance, be made to:

BCR Legal Group Limited
25 Dollis Park
London
N3 1HJ

Telephone No. 00 44 (0) 20 8343 3242
who will respond to any complaint within 10 days.

If you remain dissatisfied with our handling of and response to the complaint you may be referred to the Danish Insurance Complaints Board, Ankenævnet for Forsikring (the Board) or the U.K. Financial Ombudsman Service (FOS), depending on the nature of the complaint and whether it should properly be directed against the Insurer or another party. Contact details are as follows:

The Danish Insurance Complaints Board
Ankenævnet for Forsikring
Anker Heegaards Gade 2,
Postboks 360
DK-1572 Copenhagen
Denmark

Tel: 0045 3315 8900

Financial Ombudsman Service,
The Financial Ombudsman Service
Exchange Tower
London E14 9SR

Tel: 0800 023 4567

In order for the Board to deal with your complaint, you will need to agree to their applying the rules of Danish law and practice in the adjudication process. Referring a complaint to the Board or the FOS is an alternative form of dispute resolution. It does not affect your right to take legal action, but neither the Board nor the FOS will adjudicate on any case where litigation has commenced.

DATA PROTECTION

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

Construction Register & CRL are trading names of CRL Management Limited. Registered in the United Kingdom under registration number 07563546. CRL Management Ltd is an Appointed Representative of BCR Legal Group Ltd which is authorised and regulated by the Financial Conduct Authority (FCA).

01/04/2017