



# SELF BUILD

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Welcome to your **LABC Self Build Warranty** insurance **Policy**. Although problems with your **Home** are unlikely, the **LABC Self Build Warranty** provides you with the comfort that particular types of problems which may occur in the first ten years after your **Home** is built will be corrected.

You should ensure that you are aware of what is covered by your **LABC Self Build Warranty**, by reading these Terms and Conditions in conjunction with your **Development Initial Certificate** and/or your **Certificate of Insurance** and any endorsements attached to them.

Please note that the **Policy** is a policy of indemnity and does not provide any cover for any legal liabilities that you may have to third parties arising out of the use or ownership of the **Home**.

The **Policy** is subject to a number of definitions, conditions, exclusions and **Financial Limits**. If you have any questions or require further guidance then please contact us on **0845 054 0505**.

### **HOW TO MAKE A CLAIM**

We know how difficult and stressful it can be if things go wrong with your **Home** and we aim to work with you to ensure that we can get you back to normality as quickly as possible.

If you feel you have a valid claim, please check your **Development Initial Certificate** or your **Certificate of Insurance** (as appropriate) to ensure that cover is included. You should also refer to the relevant section to obtain full details of what we will require from you should you make a claim. You can contact our claims team on **0845 054 0505**, email [claims@labcwarranty.co.uk](mailto:claims@labcwarranty.co.uk) or you can write to us.



**Gary Devaney**  
Chairman and CEO

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LABC (Local Authority Building Control) is an independent building control provider. LABC represent local authorities in England, Northern Ireland and Wales which have responsibility for building control.

MD Insurance Services Ltd has developed this scheme, 'LABC Self Build Warranty', in conjunction with LABC.

LABC Warranty is a brand name for a range of structural warranties arranged by MD Insurance Services Limited. MD Insurance Services Limited is authorised and regulated by the Financial Conduct Authority (FCA). MD Insurance Services Limited is a managing general agent for the insurer AmTrust Europe Limited. Its registered office is at 2 Shore Lines Building, Shore Road, Birkenhead, Wirral CH41 1AU.

For details of our FCA authorisation, visit [www.fca.org.uk](http://www.fca.org.uk).

## TERMS AND CONDITIONS OF INSURANCE

These Terms and Conditions of Insurance consist of:

1. **INFORMATION** on **LABC Self Build Warranty**.
2. **DEFINITIONS AND INTERPRETATION**, detailing all definitions and rules of interpretation applicable to the **Policy**.
3. **THE TYPES OF INSURANCE COVER** giving precise details of the cover, as applicable, any special conditions or specific exclusions, the **Financial Limits** and how to make a claim:
  - **The Insuring Agreement**.
4. **ADDITIONAL COVER** detailing automatic extensions in cover to the **Policy**.
5. **EXCLUSIONS** detailing exclusions applicable to the whole **Policy**.
6. **CONDITIONS** applicable to the whole **Policy**.
7. **HOW TO MAKE A COMPLAINT** detailing the options you have for making a complaint about the **Policy**.

# 1. INFORMATION

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We can provide **Policyholders** with protection in a number of ways. It should, however, be noted that all sections of the **Policy** may not necessarily be applicable for every **Home**. The **Development Initial Certificate** and **Certificate of Insurance** will detail the exact cover provided.

In order to illustrate the service which we provide, the following bullet points provide examples of the kinds of cover which a typical **Policy** *might* provide.

- Insuring the **Home** for a period of 10 years against:
  - the risk of **Major Damage** to the **Structure** of the **Home**. See section 3 for details.
  - making good any defect in the design, workmanship, materials or components in the newly installed drainage system in connection with the **Home**. See section 3 for details.
  - a danger to health and safety caused by a defect in chimneys or flues. See section 3 for details.

Where a **Builder** is appointed to construct the **Home** on behalf of the **Policyholder** the **Builder** will be responsible for rectifying any defects that would lead to a claim under section 3 of the **Policy** that occur in the first 12 months of the **Period of Insurance**.

It should be noted that the examples provided above are given for illustrative purposes only. Since each contract of insurance will differ according to individual requirements, the **Policyholder** should refer to the **Certificate of Insurance** and the **Policy** to ascertain the precise cover in force at any time.

## THE QUALITY OF YOUR HOME

All **Homes** insured under a **Policy** are the subject of a system of checks and inspections:

- The **Home** has to comply with **Building Regulations** and the authorised **Building Control** Body involved inspects the work. These Regulations are statutory requirements and are concerned mainly with health and safety, access for the disabled and conservation of fuel and power issues.
- **Surveyors** will have completed inspections before the **Certificate of Insurance** was issued. Such inspections are carried out solely for the purpose of satisfying the **Underwriter** that the **Home** represents a normal risk for insurance under **LABC Self Build Warranty**. It should not be inferred that the inspections are for any other purpose.
- It is the first **Policyholder's** responsibility to ensure that a thorough inspection of the **Home** is carried out prior to hand-over. If the inspection identifies any defects, they should be reported to the **Builder** and remedied prior to the inception of this **Policy**.
- A **Certificate of Insurance** will be issued to the **Policyholder** provided that a **Certificate of Approval** has been issued by the **Surveyor** and subject to satisfaction of all **Policy** conditions. The **Certificate of Insurance** should be filed with the **Policy**.
- Any extensions in cover at the time of issue of the **Policy** and subsequent alterations will be confirmed by separate endorsements, which should also be filed with the **Policy**. The **Policyholder** should refer to these endorsements and the **Policy** to ascertain the precise cover in force at any time.

## YOUR PRIVACY

We will normally keep personal information about you confidential. We may need to pass on personal information such as your name and address to the **Builder** to assist in the resolution of a claim. If required by a court or government body, we may be required to pass on personal information. We may need to tell a subsequent owner(s) about claims an earlier owner has made, if it affects what a subsequent owner of the **Home** can claim under the **Policy**.

## YOUR RIGHT TO CANCEL

You have the right to cancel cover under the **Policy**. If you wish to cancel the cover, you must do so within 14 days starting on the day after you receive the **LABC Self Build Warranty Policy** documents. Your request to cancel must reach the **Scheme Administrator** by letter or email. Contact details are:

Scheme Administrator,  
MD Insurance Services Limited,  
2 Shore Lines Building,  
Shore Road,  
Birkenhead,  
Wirral,  
CH41 1AU

Email: customerservices@labcwarranty.co.uk

You should make any request for the cancellation of a **Policy** in writing or by email and any relevant **Certificate of Insurance** should be promptly returned to the **Scheme Administrator**. In the event of cancellation, charges for our services will apply as follows:

Before cancelling the cover, please check with your mortgage lender, because they may require you to have this cover (or its equivalent) as a condition of their loan. Please remember also that if you sell the **Home** within the period of cover, a purchaser (and any lender at that time) will usually require the cover to be in place.

If your **Home** includes **Common Parts**, your cancellation will apply to both the cover on your individual **Home** and the cover for your share of the cost of any claim relating to the **Common Parts**. You may be obliged under your lease or title to contribute to the cost of repairs along with your neighbours and this may include the costs of repairs which would otherwise be covered under the **Policy**.

### CANCELLATION PRIOR TO CERTIFICATE OF INSURANCE BEING ISSUED

In the event of cancellation, charges for our services will apply as follows:

As construction contracts can be of varying duration and there is always a technical audit, our fees will vary depending on the stage at which notification of cancellation is given. The amount retained by us will be a pro-rata rate based on the cost of any inspections carried out and any plan checks undertaken prior to the notification of cancellation. If cover has not commenced an administration fee of up to 35% of the insurance premium will also be charged subject to a minimum fee of £100.00.

### CANCELLATION FOLLOWING CERTIFICATE OF INSURANCE BEING ISSUED

1. If a third party has completed the proposal form or paid the premium, you will not be entitled to a refund of premium or any other monies. The premium or any other monies can only be paid back to the party who originally paid the premium or any other monies and who still has an insurable interest in the property.
2. If you have completed a proposal form and paid the premium you may be entitled to refund. This will take into account the period where cover has been in force, plus an administration fee subject to a minimum fee of £100.00.

## 2. DEFINITIONS AND INTERPRETATION

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### 2.1 DEFINITIONS

Wherever any of the following words or expressions are used in the **Policy** (including in the welcome and introductory pages), then such word or expression shall, unless the context otherwise requires, have the meaning given below. Where a word is given a particular contractual meaning, it will appear throughout the contract in bold.

<b>BUILDER</b>	Any person, sole trader, partnership, company or other organisation with whom the <b>Policyholder</b> has entered into an agreement or contract to construct the <b>Home</b> .
<b>BUILDERS LIABILITY PERIOD</b>	Where a <b>Builder</b> has been employed by a <b>Policyholder</b> to construct the <b>Home</b> , the period commencing from the issue of the <b>Certificate of Insurance</b> for a period of 12 months during which the <b>Builder</b> is responsible for rectifying any occurrence or circumstance that is likely to give rise to a claim.
<b>BUILDING CONTROL</b>	The function of checking that building work has been carried out in accordance with the <b>Building Regulations</b> (England and Wales) and associated legislation.
<b>BUILDING REGULATIONS</b>	The <b>Building Regulations</b> are a set of standards for the design and construction of new and altered buildings.
<b>CERTIFICATE OF APPROVAL</b>	The certificate issued by the <b>Surveyor</b> to the <b>Scheme Administrator</b> on behalf of the <b>Underwriter</b> on or following satisfactory completion of the <b>Home</b> .
<b>CERTIFICATE OF INSURANCE</b>	The certificate issued by the <b>Scheme Administrator</b> on behalf of the <b>Underwriter</b> to signify acceptance of a <b>Home</b> for insurance under this <b>Policy</b> following issue of the <b>Certificate of Approval</b> by the <b>Surveyor</b> and satisfaction of all <b>Policy</b> conditions.
<b>COMMON PARTS</b>	Those parts of a multi-occupied building (of which the <b>Home</b> is part) for which the <b>Policyholder</b> is legally obliged to contribute for the cost and upkeep with the owners of other parts of such building, or by way of contribution to the <b>Management Company</b> .
<b>CONTINUOUS STRUCTURE</b>	A single building or structure containing more than one unit of housing (such as blocks of flats or terraces) which does not rely on any other building or structure to sustain and transmit combined loads safely to the ground.
<b>DEVELOPMENT INITIAL CERTIFICATE</b>	The Certificate issued by the <b>Underwriter</b> signifying its agreement to the provision of the insurance cover for the <b>Home</b> as set out in this <b>Policy</b> , subject to receipt of a <b>Certificate of Approval</b> for the <b>Home</b> , and satisfaction of all <b>Policy</b> conditions.
<b>EXCESS</b>	<p>The amount the <b>Policyholder</b> is required to pay in the event of a valid claim under each section of the <b>Policy</b>. The <b>Excess</b> is index-linked in accordance with the condition of the <b>Policy</b> entitled '<b>Indexation</b>'.</p> <p>Note that a separate <b>Excess</b> shall apply to each separately identifiable cause of loss or damage for which a payment is made under the <b>Policy</b> by the <b>Underwriter</b>, regardless of whether more than one cause of loss is notified at the same time.</p>
<b>EXTERNAL ENVELOPE</b>	Ground floors, external walls, roofs, skylights, windows and doors of a <b>Home</b> but excluding those parts enclosed below external ground level.
<b>FINANCIAL LIMIT</b>	The maximum the <b>Underwriter</b> will pay for any claims under the terms of a particular section.

<b>HOME</b>	<p>The property newly built or newly renovated by the <b>Builder</b> and described in the <b>Certificate of Insurance</b> comprising:</p> <ul style="list-style-type: none"> <li>a) the <b>Structure</b>;</li> <li>b) all non-load bearing elements, any new electrical fixed wiring and lighting system, heating system, air conditioning, smoke alarms, waste-disposal units or water-softening equipment newly installed at the date of issue of the <b>Certificate of Approval</b> and for which the <b>Policyholder</b> is responsible;</li> <li>c) any <b>Common Parts</b>, retaining or boundary walls forming part of or providing support to the <b>Structure</b>;</li> <li>d) any path or roadway within the perimeter of such property giving access to the principal entrance;</li> <li>e) the drainage system that the <b>Policyholder</b> is responsible for maintaining, or contributing to the cost of maintaining; and</li> <li>f) any attached or integral garage.</li> </ul> <p>Note that <b>Home</b> does not include any swimming pool, lift, escalator, or associated plant and equipment and/or mechanical or electrical equipment, temporary structure, free-standing household appliance, fence, retaining or boundary wall not forming part of or providing support to the <b>Structure</b>. <b>Home</b> does not include any detached garage or permanent outbuilding. For the avoidance of doubt, personal chattels do not fall within the definition of <b>Home</b>.</p>
<b>INDEXATION</b>	Shall have the meaning ascribed to it by the condition entitled 'Indexation' in section 6.
<b>INSOLVENCY</b>	<p>The occurrence of any of the following events:</p> <ul style="list-style-type: none"> <li>a) an order is made, or a resolution is passed, for the winding-up, administration or bankruptcy of the <b>Builder</b> (except for the purposes of solvent amalgamation or reconstruction previously approved by the <b>Underwriter</b> in writing); or</li> <li>b) a liquidator, trustee, administrator, administrative receiver, receiver, manager, trustee in bankruptcy or similar official is appointed over the whole or any part of the assets of the <b>Builder</b>, or the <b>Builder</b>, or the directors of the <b>Builder</b>, request any person to appoint any of the same; or</li> <li>c) a notice of intention to appoint an administrator, or a notice of appointment under Schedule B1 to the Insolvency Act 1986 is issued by the <b>Builder</b> or its directors.</li> </ul>
<b>INSURED</b>	Any person(s) who is entitled to bring a claim under this <b>Policy</b> .
<b>LABC SELF BUILD WARRANTY</b>	The insurance cover provided by the <b>Underwriter</b> in accordance with, and subject to, the provisions of this <b>Policy</b> .
<b>LIMIT OF INDEMNITY</b>	The maximum liability of the <b>Underwriter</b> during the <b>Period of Insurance</b> , being the amount shown as the <b>Sum Insured</b> on the <b>Certificate of Insurance</b> or the <b>Financial Limit</b> in the relevant section, whichever is the lesser. The <b>Limit of Indemnity</b> is index-linked in accordance with the condition of the <b>Policy</b> entitled 'Indexation'.

<b>MAJOR DAMAGE</b>	<p>Either:</p> <p>a) Destruction of or physical damage to any portion of the <b>Home</b> for which a <b>Certificate of Insurance</b> has been issued, caused by a defect in the design, workmanship, materials or components of:</p> <p>i) the <b>Structure</b>; or</p> <p>ii) the waterproofing elements of the <b>External Envelope</b></p> <p>and which is first discovered during the <b>Period of Insurance</b> .</p> <p>Or:</p> <p>b) A condition requiring immediate remedial action to prevent actual destruction of, or major physical damage to, any portion of the <b>Home</b> for which a <b>Certificate of Insurance</b> has been issued, caused by a defect in the design, workmanship, materials or components of:</p> <p>i) the <b>Structure</b>; or</p> <p>ii) the waterproofing elements of the <b>External Envelope</b></p> <p>and which is first discovered during the <b>Period of Insurance</b>.</p> <p>The term <b>Major Damage</b> shall include any physical loss, destruction or damage to the <b>Home</b> caused by contamination or pollution as a direct consequence of a defect in the design, workmanship, materials or components of the <b>Structure</b> of the <b>Home</b>.</p>
<b>MANAGEMENT COMPANY</b>	The person(s) (in the context of a multi-occupied building) having contractual responsibility for the repair and maintenance of the <b>Structure</b> and/or the <b>Common Parts</b> under any applicable agreement.
<b>PERIOD OF INSURANCE</b>	The period specified in the <b>Certificate of Insurance</b> for the <b>Home</b> .
<b>POLICY</b>	The Terms and Conditions of Insurance, the <b>Development Initial Certificate</b> and the <b>Certificate of Insurance</b> .
<b>POLICYHOLDER</b>	<p>The owner of the property which is the subject of this insurance acquiring a freehold or leasehold interest in a <b>Home</b> or their successor in title, or any mortgagee or lessor.</p> <p>This <b>Policy</b> is transferable to future owners of the <b>Home</b> provided that such owners contact the <b>Scheme Administrator</b> to notify their details. However no such transfer can take place if the <b>Home</b> is sold by the original <b>Policyholder</b> within twelve months of the inception date of the <b>Policy</b>.</p>
<b>SCHEME ADMINISTRATOR</b>	MD Insurance Services Limited, 2 Shore Lines Building, Shore Road, Birkenhead, Wirral, CH41 1AU (acting as agent on behalf of the <b>Underwriter</b> ). The terms 'we' or 'us' denote MD Insurance Services Limited.
<b>STRUCTURE</b>	<p>Is comprised of the following elements of a <b>Home</b>:</p> <p>a) foundations;</p> <p>b) ceilings, load-bearing parts of floors, staircases and associated guard rails, walls and roofs, together with load-bearing retaining walls necessary for stability;</p> <p>c) chimneys;</p> <p>d) roof covering;</p> <p>e) any external finishing surface (including rendering) necessary for the water-tightness of the <b>External Envelope</b>;</p> <p>f) internal floor decking and screeds, where these fail to support normal loads;</p>
<b>SUM INSURED</b>	The sum specified as such within the <b>Certificate of Insurance</b> .



<b>SURVEYOR</b>	The party appointed by the <b>Underwriter</b> who carries out checks and inspections solely on behalf of the <b>Underwriter</b> and who, prior to the issue of the <b>Certificate of Insurance</b> for the <b>Home</b> , issues a <b>Certificate of Approval</b> .
<b>UNDERWRITER</b>	AmTrust Europe Limited, whose registered office is at Market Square House, St James's Street, Nottingham, NG1 6FG, is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial services register number 202189. These details can be checked on the Financial Services Register by visiting: <a href="http://www.fca.org.uk">www.fca.org.uk</a> or by contacting the Financial Conduct Authority on 0800 111 6768.

## 2.2 INTERPRETATION

1. References to this **Policy** or to any other document or contract referred to in this **Policy** means this **Policy** or such other document or contract as amended, varied, supplemented, modified or novated from time to time.
2. In this **Policy** (unless the context otherwise requires):
  - a) the words "including" and "include" and words of similar effect shall be deemed to have the words "without limitation" following them;
  - b) words importing persons shall include firms, companies, associations, bodies corporate and vice versa;
  - c) words importing the singular shall include the plural and vice versa;
  - d) references to a section are to a section of this **Policy**;
  - e) any reference to any legislative provision, shall be deemed to include any subsequent re-enactment or amending provision and any regulations made under it.
  - f) words importing the masculine shall include the feminine.
3. The headings in this **Policy** are for ease of reference only and shall not affect its construction or interpretation.

## 3. TYPES OF COVER

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### 3.1. THE INSURING AGREEMENT

- 3.1.1. The **Underwriter** will indemnify the **Policyholder** against all claims discovered and notified to the **Underwriter** during the **Period of Insurance** in respect of:
- a) The cost of complete or partial rebuilding or rectifying work to the **Home** which has been affected by **Major Damage** provided always that the liability of the **Underwriter** does not exceed the reasonable cost of rebuilding the **Home** to its original specification.
  - b) The cost of making good any defect in the design, workmanship, materials or components in the drainage system which was newly constructed by the **Builder** in connection with the **Home** and for which the **Policyholder** is responsible.
  - c) The cost of repairing or making good any defects in the chimneys and flues of the **Home** which was newly constructed by the **Builder** causing an imminent danger to the health and safety of occupants.
- 3.1.2. Where a **Builder** has been appointed by a **Policyholder** to construct the **Home**, a **Builder Liability Period** will apply for the first 12 months of the **Period of Insurance**. During this period, the **Builder** is responsible for rectifying any occurrence or circumstance that is likely to give rise to a claim.
- In the event that the **Builder** has failed to rectify any occurrence or circumstance that is likely to give rise to a claim or there is any **Insolvency** affecting the **Builder** the **Underwriter** will indemnify the **Policyholder** and seek legal recourse from the **Builder**.
- 3.1.3. In the event of a valid claim being made under this section, the **Underwriter** will either (at its sole discretion) arrange to have such damage corrected or pay the cost of repairing, replacing or rectifying any damage resulting from items 3.1.1 and 3.1.2. above.

#### 3.1.4. FINANCIAL LIMITS

1. The maximum the **Underwriter** will pay for all claims relating to a **Home** under this **Policy** is:
  - a) £750,000 for any newly constructed **Home**; or
  - b) £350,000 for any converted or refurbished **Home**; or
  - c) (in either case) the **Sum Insured** for the **Home**, whichever is the lesser.
2. The cumulative maximum which the **Underwriter** will pay for claims made by all **Policyholders** relating to any property within the same **Continuous Structure** is £1,250,000.
3. The maximum the **Underwriter** will pay for any claim relating to **Common Parts** will be the proportion of the loss represented by the number of individual **Certificates of Insurance** issued to the **Policyholders** that share those **Common Parts**. The **Underwriter** is not responsible for the proportion of any loss where individual **Homes** have not received a **Certificate of Insurance**.
4. The **Financial Limits** above are index-linked in accordance with the condition of the **Policy** entitled '**Indexation**'.
5. Claims under this section are subject to the **Excess** as detailed in the **Certificate of Insurance**.
6. Please note in the event that you are not the first owner of the **Home**, the **Financial Limits** may have already be utilised by a previous owner and you will only be entitled to the remainder.

### 3.1.5. SPECIFIC EXCLUSIONS

The **Underwriter** shall not be liable to the **Policyholder** for any:

- a) ceilings that are not in an enclosed part of the **Home** (such as balcony ceilings);
- b) moisture ingress and related damage resulting from a defect in the design, workmanship or materials of any area enclosed below external ground level.
- c) replacement of any solar roof tiles or panels solely due to failure to generate heat or electricity or any failure to generate anticipated amounts of heat or electricity.
- d) sound transmission
- e) cracking, spalling or mortar erosion, which does not impair the structural stability or weather tightness the **Home**.
- f) damage to the roof covering (including any underlays, fixings, mortar and weatherproofing details) unless damage results in the entry of water into the **Home**.

### 3.1.6. CLAIMS PROCEDURE WHERE THE POLICYHOLDER IS NOT EMPLOYING A SINGLE BUILDER TO CONSTRUCT THE HOME

1. On discovery of any occurrence or circumstance that is likely to give rise to a claim, the **Policyholder** should immediately notify the **Scheme Administrator** on **0845 054 0505**, and request a claim form.
2. When notifying the **Scheme Administrator** of a claim, the **Policyholder** must also:
  - a) complete the claim form and obtain a report from a specialist confirming that there has been an occurrence or circumstance that is likely to give rise to a claim; and
  - b) take all responsible steps to prevent further loss or damage; and
  - c) allow the **Scheme Administrator** and its agents to gain access to the **Home**; and
  - d) provide the **Scheme Administrator** with all information and documentation it may request in relation to investigating the claim.

### 3.1.7. CLAIMS PROCEDURE WHERE A BUILDER HAS BEEN EMPLOYED TO CONSTRUCT ON BEHALF OF THE POLICYHOLDER

1. The **Builder** is responsible for rectifying any occurrence or circumstance that is likely to give rise to a claim and resultant damage which occurs within **Builders Liability Period**.
2. If you consider that there has been an occurrence or circumstance that is likely to give rise to a claim you should notify the **Builder** in writing as soon as possible to allow them to arrange for any defect(s) and resultant damage to be corrected. Correspondence with the **Builder** should be recorded as evidence and made available, if required, to the **Scheme Administrator**.
3. If the **Builder** is unable or unwilling to rectify the defects and resultant damage and resultant damage, you should contact the **Scheme Administrator** on **0845 054 0505** and:
  - a) notify them of a potential claim and request a claim form; and
  - b) complete the claim form and send evidence to the **Scheme Administrator** to show that the **Builder** has been approached to rectify the defect(s) and resultant damage; and
  - c) if there is any **Insolvency** affecting the **Builder**, provide evidence to demonstrate this; and
  - d) allow the **Scheme Administrator** and its agents to gain access to the **Home**; and
  - e) provide the **Scheme Administrator** with all information and documentation it may request in relation to investigating the claim.

## 4. ADDITIONAL COVER

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In addition to any applicable cover under section 3, in the event of a valid claim under **Policy** the **Underwriter** will pay within the **Limit of Indemnity**:

### 1. ADDITIONAL COSTS

Such additional costs and expenses as are necessarily incurred by the **Policyholder** solely in order to comply with **Building Regulations** or Local Authority requirements or other legal requirements, provided that the **Underwriter** 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

- a) If, due to an event insured under this **Policy**, the **Home** is uninhabitable then the **Underwriter** will pay the reasonable additional costs and expenses that are necessarily incurred by the **Policyholder** in respect of removal, storage and alternative accommodation (for a period not exceeding 26 weeks) for persons permanently residing in the **Home**, provided the **Policyholder** has first obtained the **Scheme Administrator's** written consent to such costs.
- b) The cover under this section 4.2 is subject to a maximum liability of 10% of the unused **Limit of Indemnity** for the **Home** at the time of the claim.

### 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 **Home** (excluding any costs or fees incurred by the **Policyholder** in investigating and/or preparing a claim).

### 4. REMOVAL OF DEBRIS

The costs and expenses incurred by the **Policyholder** in respect of:

- a) removal of debris at; and/or
- b) dismantling or demolishing; and/or
- c) shoring up,

the **Home**.

## 5. EXCLUSIONS

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The **Underwriter** shall not be liable to the **Policyholder** for any of the following:

### 1. ALTERATIONS

Loss or damage due to or arising from any alteration, modification or addition to a **Home** after the issue of the **Certificate of Approval** unless (in each case) the **Underwriter** has been informed, the **Policy** endorsed and any applicable additional premium paid to the **Underwriter**.

### 2. CHANGE IN COLOUR

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

### 3. DEFECTS IN EXISTING WORKS

Loss or damage due to or arising out of any defect in the design, workmanship, materials or components of the **Home** that was installed or constructed prior to the conversion, refurbishment or renovation works that are the subject of this insurance.

### 4. ENDORSEMENT

Anything excluded by an endorsement issued by the **Scheme Administrator** and noted on the **Certificate of Insurance**.

### 5. FLOODING AND WATER TABLE

Loss or damage resulting from flooding or failure of flood prevention / defence measures, however caused, or from a change in the water table level.

### 6. HUMIDITY

Loss or damage caused by or consequent upon humidity in the **Home** 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 **External Envelope** of the **Home**.

### 7. INDIRECT LOSS

Unless expressly provided for in this **Policy**, economic loss of any description (including, but not exclusively limited to costs arising from inconvenience or distress, loss of enjoyment, loss of use, reduction in value of the **Home**, loss of income or business opportunity) arising either directly or indirectly as a result of the events or circumstances that led to your claim or complaint.

### 8. MAINTENANCE AND USE

Inadequate maintenance of a **Home** or the imposition of any load greater than that for which the **Home** was designed or the use of a **Home** for any purpose other than that for which it was designed, unless (in each case) the **Underwriter** has been informed in writing, the **Policy** endorsed and any applicable additional premium paid to the **Underwriter**.

### 9. PERSONAL INJURY

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

### 10. PRIOR KNOWLEDGE

Anything which would constitute a valid claim under the **Policy** and about which the **Policyholder** was aware prior to purchasing the **Home** and as a consequence agreed a reduction in the purchase price for the **Home** or obtained any other remedy, benefit or compensation of any kind.

## 11. RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS

In no case shall this insurance cover loss, damage, liability or expense 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; and/or
- b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof; and/or
- c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; and/or
- d) the radioactive, toxic, explosive or other hazardous or contaminating 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 purposes; and/or
- e) any chemical, biological, bio-chemical, or electromagnetic weapon.

## 12. REASONABLENESS

If items can be found to match existing items at a reasonable cost (being no more than a maximum of 20% higher than the original cost of the item/s) the **Underwriter** will endeavour to facilitate this. However the **Underwriter** will have no liability and will not be responsible for any additional costs if a similar match is not possible at a reasonable cost (being no more than a maximum of 20% higher than the original cost of the item/s).

## 13. SETTLEMENT

Loss or damage caused by or consequent upon normal settlement or bedding down of a **Home**.

## 14. SONIC BANGS

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

## 15. 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 therefrom, escapes of water from tanks, apparatus or pipes (i.e. sprinkler systems, flood-protection systems and sustainable urban drainage systems) malicious persons, theft, attempted theft, impact or any accidental cause.

## 16. SUBSIDENCE

Loss or damage caused by or consequent upon subsidence, heave or landslip, save if and to the extent that such loss or damage is as a result of a defect in the design, workmanship, materials or components of the **Structure of a Home**.

## 17. 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. For these purposes, 'pathogenic organisms' means any bacteria, yeasts, mildew, viruses, fungi, mould or their spores, mycotoxins or other metabolic products.

## 18. VERMIN

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

## 19. WAR RISKS

Loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, 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.

## 20. WEAR AND TEAR

Wear and tear, normal dampness, condensation, thermal movement, movement between different types of materials or shrinkage or normal deterioration (whether caused by neglect or otherwise).

## 21. WILFUL ACTS

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

## 6. CONDITIONS

<b>1. APPLICABLE LAW</b>	<p>You and We can choose the law which applies to this <b>Policy</b>. We propose that the Law of England and Wales apply. Unless We and You agree otherwise, the Law of England and Wales will apply to this <b>Policy</b>.</p>
<b>2. ARBITRATION</b>	<p>If any difference shall arise as to the amount to be paid under the <b>Policy</b> (liability being otherwise admitted) then such difference shall be referred to an arbitrator to be appointed by the parties in accordance with the Arbitration Act 1996.</p>
<b>3. CANCELLATION</b>	<p>Unless otherwise agreed in writing by the <b>Scheme Administrator</b> the <b>Underwriter</b> reserves the right to cancel the <b>Policy</b> and return any premium, less any retentions in line with our cancellation procedures in the event of:</p> <ul style="list-style-type: none"> <li>i) the building works period exceeding three years from the start date notified to the <b>Scheme Administrator</b> when the original application was made;</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>ii) If building work ceases for 90 days or more before the <b>Home</b> is complete.</li> </ul>
<b>4. CONTRIBUTION</b>	<p>If at any time of any occurrence giving rise to a claim under this <b>Policy</b>:</p> <ul style="list-style-type: none"> <li>a) there is (or would be, but for the existence of this insurance) any other insurance applicable; or</li> <li>b) the <b>Policyholder</b> has entitlement to any statutory damages, damage or compensation; or</li> <li>c) the <b>Policyholder</b> has initiated legal proceedings from which compensation may be received,</li> </ul> <p>then any applicable cover under this <b>Policy</b> shall be limited to such amount in excess of such insurance, damages or compensation (without prejudice to any <b>Financial Limits</b> specified in the <b>Policy</b>) and shall not be called into contribution.</p>
<b>5. FRAUD</b>	<p>If you or anyone acting for you:</p> <ul style="list-style-type: none"> <li>a) knowingly make a fraudulent or exaggerated claim under your <b>Policy</b>; or</li> <li>b) knowingly make a false statement in support of a claim (whether or not the claim itself is genuine); or</li> <li>c) knowingly submit a false or forged document in support of a claim (whether or not the claim itself is genuine),</li> </ul> <p>We will:</p> <ul style="list-style-type: none"> <li>d) refuse to pay the claim; and</li> <li>e) declare the <b>Policy</b> void, treating it as if it had never existed without any refund of premium; and</li> <li>f) recover any sums that we have already paid under the <b>Policy</b> in respect of the claim and any previous claims.</li> </ul> <p>We may also inform the Police of the circumstances.</p>
<b>6. INDEXATION</b>	<p>The <b>Limit of Indemnity</b> and <b>Excess</b> referred to within the <b>Certificate of Insurance</b> will be increased in line with the RICS House Re-Building Index or 5% per annum compound (whichever is the lesser) on each anniversary of the commencement of the <b>Period of Insurance</b>. For the purpose of settlement of any claim hereunder, the <b>Limit of Indemnity</b> and <b>Excess</b>, as adjusted in accordance with the foregoing provisions, shall be regarded as the <b>Limit of Indemnity</b> and <b>Excess</b> at the time of discovery by the <b>Policyholder</b> of such claim.</p>

7. MISREPRESENTATION	This <b>Policy</b> will be voidable from inception in the event of deliberate misrepresentation, misdescription, error, omission or non-disclosure by the <b>Policyholder</b> .
8. MULTI-OCCUPIED BUILDINGS	Where the <b>Home</b> is part of a multi-occupied building (where a number of <b>Homes</b> are contained within one building), the <b>Management Company</b> shall normally co-ordinate the claim in respect of all <b>Policyholders</b> of the multi-occupied building and where that is the case the <b>Scheme Administrator</b> shall not be obliged to correspond with the individual <b>Policyholder</b> regarding such claims.
9. NOTIFICATION OF CLAIMS	Where a <b>Builder</b> has been employed by a <b>Policyholder</b> to construct the <b>Home</b> it is important to note that it is a condition to the payment of any claim(s) under section 3 that concerns have been notified to the <b>Builder</b> in writing within the first 12 months following the start of the <b>Period of Insurance</b> and if the <b>Builder</b> does not respond then the defects and resultant damage must be notified to the <b>Scheme Administrator</b> in writing within 6 months following the expiry of the 12 months. The <b>Underwriter</b> will have no liability for any matter which is not notified within these time frames
10. RECOVERIES FROM THIRD PARTIES	<p>The <b>Underwriter</b> is entitled (and the <b>Policyholder</b> gives consent to the <b>Underwriter</b>) to take proceedings, at its own expense, to secure compensation from any third party before or after any admission of or payment of a claim under this <b>Policy</b>.</p> <p>However the <b>Underwriter</b> waives their rights of subrogation against the architect responsible for the design of the <b>Home</b> when the architect is a member of the Royal Institute of British Architects or the Chartered Institute of Architectural Technologists.</p>
11. REINSTATEMENT OF LIMIT OF INDEMNITY	<p>Where any successful claim has been made under the <b>Policy</b> and which is met by the <b>Underwriter</b> for less than the <b>Limit of Indemnity</b> for the relevant section, such <b>Limit of Indemnity</b> shall (in accordance with the provisions of this <b>Policy</b>) be reduced to the extent such claim has been met by the <b>Underwriter</b>. In such circumstances, the <b>Policyholder</b> may request that the <b>Limit of Indemnity</b> be reinstated. The decision to reinstate any <b>Limit of Indemnity</b> shall be at the sole discretion of the <b>Scheme Administrator</b> and shall in any event be subject to:</p> <ul style="list-style-type: none"> <li>a) payment by the <b>Policyholder</b> of any fee charged by the <b>Surveyor</b> for checking the design of the <b>Home</b> and inspecting any work for the repair or rebuilding of any <b>Home</b> which has been the subject of a claim under this <b>Policy</b>; and</li> <li>b) the <b>Surveyor</b> certifying that such repair or rebuilding work meets the <b>Underwriter's</b> required standards; and</li> <li>c) payment by the <b>Policyholder</b> of any additional premium required to be paid in respect of any such reinstatement, as notified by the <b>Underwriter</b>.</li> </ul> <p>For the avoidance of doubt, the <b>Policyholder</b> shall be required to pay the <b>Surveyor's</b> fee referred to above regardless of whether or not the <b>Limit of Indemnity</b> is reinstated.</p>
12. TERMINATION	<p>This <b>Policy</b> will terminate automatically without refund of premium in the event that:</p> <ul style="list-style-type: none"> <li>a) the <b>Home</b> is destroyed by a cause other than that insured against in this <b>Policy</b>;</li> <li>or</li> <li>b) the <b>Underwriter</b> has paid the maximum amount for which it will be liable under the <b>Policy</b> in accordance with the <b>Limit of Indemnity</b> unless the <b>Limit of Indemnity</b> has been reinstated in line with the Reinstatement of <b>Limit of Indemnity</b> Condition.</li> </ul> <p>The cover under this <b>Policy</b> will terminate automatically without refund of premium in the event that the <b>Underwriter</b> has paid the maximum amount for which it will be liable under the relevant section in accordance with the relevant <b>Limit of Indemnity</b>.</p>
13. THIRD PARTY RIGHTS	A person who is not a party to this <b>Policy</b> has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this <b>Policy</b> , but this does not affect any right or remedy of a third party which exists or is available apart from that Act.



<p><b>14. UNDERWRITER'S RIGHTS</b></p>	<p>In the event of any occurrence which may give rise to a claim under this <b>Policy</b>, the <b>Underwriter</b> and its agents (including the <b>Builder</b> and/or their subcontractors) shall, with the permission of the <b>Policyholder</b>, be entitled to enter the <b>Home</b> in order to carry out rectification works or the complete or partial rebuilding of the <b>Home</b>. If such permission is unreasonably withheld by the <b>Policyholder</b> then the <b>Policyholder</b> shall be responsible for any additional costs caused by the delay in carrying out such works and the <b>Underwriter</b> has the sole option to void the <b>Policy</b> from inception.</p>
<p><b>15. UNOCCUPIED HOME</b></p>	<p>The <b>Policyholder</b> is required to notify the <b>Scheme Administrator</b> if the <b>Home</b> is to be left unoccupied for a period of 60 consecutive days or more. It is the duty of the <b>Policyholder</b> to maintain and visit the <b>Home</b> during any period that it is not occupied. Should this not occur the <b>Underwriter</b> reserves the right to void the <b>Policy</b>. It may also affect the rights of the <b>Policyholder</b> in the event of a claim being made under the <b>Policy</b>.</p>

## 7. HOW TO MAKE A COMPLAINT

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1. We have the authority to administer complaints on behalf of the **Underwriter**. MD Insurance Services Limited aims to provide a first class service to every **Policyholder**. However, occasionally an enquiry or a complaint may arise, often as a result of a misunderstanding, which will usually be resolved quickly and to the satisfaction of the **Policyholder**.
2. If you have an enquiry or cause to make a complaint regarding your **Policy** then you should, in the first instance, contact the insurance agent who arranged the insurance for you. If they are unable to resolve the problem, please contact:

The Complaints Officer  
MD Insurance Services Limited,  
2 Shore Lines Building,  
Shore Road,  
Birkenhead,  
Wirral,  
CH41 1AU

Email: [complaints@mdinsurance.co.uk](mailto:complaints@mdinsurance.co.uk)  
Tel: 0845 054 0505.

3. A copy of the Complaints Procedure for MD Insurance Services Limited will be provided with an acknowledgement of your complaint.
4. Any eligible complaint that cannot be resolved by the MD Insurance Services Limited may be referred to the Financial Ombudsman Service. Further details will be provided at the appropriate stage of the complaint process or are available on request. This complaint procedure is without prejudice to the **Policyholder's** right to take legal action.
5. In all cases, the Reference Number appearing in the **Development Initial Certificate** and **Certificate of Insurance** should be quoted.
6. **FINANCIAL SERVICES COMPENSATION SCHEME**

Policies issued by MD Insurance Services Limited on behalf of the **Underwriter** are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if the **Underwriter** is unable to meet it's obligations under the terms of the **Policy**. If you are entitled to compensation under the Scheme, the level and extent of the compensation would depend on the nature of the **Policy** contract. Further information about compensation scheme arrangements are available from the Financial Services Compensation Scheme. Their address is:

Financial Services Compensation Scheme  
10th Floor, Beaufort House  
15 St Botolph Street  
London, EC3A 7QU

Or via the Scheme website: [www.fscs.org.uk](http://www.fscs.org.uk)



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