

SUMMARY OF COVER

Self Build

V1

The following is a summary of the cover provided by the **LABC Self Build Warranty**. It does not contain the full terms and conditions of the cover; these can be found in your policy document. This summary does not form part of your insurance contract.

It is important that you read the full terms and conditions carefully.

Items marked in bold in the text of this document are specific policy definitions. You should refer to the policy wording for their precise meaning.

1. TYPE OF INSURANCE AND COVER

The **LABC Self Build Warranty** is a new home warranty underwritten by Lloyd's Syndicate 4472 (Liberty Syndicates). The scheme is administered by MD Insurance Services Ltd.

The **LABC Self Build Warranty** is equivalent to the insurance cover provided by other new home warranty schemes offered by MD Insurance Services Limited which are included in Part 1 of the Council of Mortgage Lenders Handbook.

The **LABC Self Build Warranty** is only available if building control is being undertaken by a Local Authority.

2. SITE AUDIT SURVEYORS

Cover under the **LABC Self Build Warranty** is only provided after a satisfactory independent technical audit has been undertaken on behalf of the **Underwriter**. This is known as the Site Audit Survey and is undertaken by the **Site Audit Surveyor**.

The **LABC Self Build Warranty** uses a network of building surveyors to carry out the Site Audit Surveys on their behalf. All surveyors are professionally qualified and have a minimum of five years experience.

Inspections are undertaken to satisfy the **Underwriter** that the **Housing Unit** to be insured represents a normal risk for insurance under the **LABC Self Build Warranty**. It should not be inferred that the inspections are for any other purpose. The **Site Audit Surveyor** works solely for the **Underwriter**.

3. CERTIFICATE OF APPROVAL

When a **Housing Unit** has been completed and is considered by the **Site Audit Surveyor** to be a normal risk for insurance under the **LABC Self Build Warranty**, a **Certificate of Approval** will be sent by the **Site Audit Surveyor** to the **Scheme Administrator**.

The Council of Mortgage Lenders has advised that a **Certificate of Approval** cannot be issued for a **Housing Unit** where there is a potential health and safety risk or the likelihood of significant disruption to the prospective purchaser.

If a satisfactory final inspection has been carried out by the **Site Audit Surveyor** a Cover Note will be issued, if requested, for the **Housing Unit** confirming that cover is in effect.

No cover will be provided under the policy unless the **Scheme Administrator** has received confirmation from the **Local Authority Building Control Inspector** that he/she is not aware of any circumstances that would restrict his/her ability to issue a **Completion Certificate**.

4. SIGNIFICANT FEATURES AND BENEFITS

The policy includes the following features and benefits which are explained in detail in the policy document.

4.1 STRUCTURAL INSURANCE

The policy covers all claims for the cost of complete or partial rebuilding or rectifying work to the **Housing Unit** which has been affected by **Major Damage** provided always that the liability of the **Underwriter** does not exceed the reasonable cost of rebuilding each **Housing Unit** to its original specification.

This section of policy also includes 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 **Housing Unit** and for which the **Policyholder** is responsible.

4.2 ADDITIONAL EXTENSIONS

In addition, in the event of a claim, the **Underwriter** will, with its written consent, pay within **the Limit of Indemnity**:

- additional costs;
- alternative accommodation costs;
- fees;
- removal of debris.

All are more fully defined in the policy wording.

4.3 INDEXATION

The **Limit of Indemnity** and **Excess** are increased in line with the RICS House Re-Building Index or 5% per annum compound, whichever is the lesser.

4.4 BANK OR BUILDING SOCIETIES' INTEREST

Banks and Building Societies with an interest in a **Housing Unit** are automatically insured and an endorsement noting their interest will be issued if required.

5. SIGNIFICANT AND UNUSUAL EXCLUSIONS / LIMITATIONS

5.1 POLICY EXCESS

An **Excess** of £1,000.00 is applied for all claims under the policy. It is applicable to each and every separate cause of loss to the **Housing Unit**.

5.2 POLICY EXCLUSIONS

The policy contains a number of exclusions. The following is a summary of the main exclusions that apply to the whole of the policy.

5.2.1 ALTERATIONS

Alterations or modifications after the **Housing Unit** has been completed must be notified and approved by the **Underwriter**. Failure to do so could lead to your claim not being paid.

5.2.2 DEFECTS IN EXISTING WORKS

Any damage due to defects in design, workmanship, materials or components of any existing **Housing Unit** are not covered for any contract which includes any conversion, refurbishment or renovation work.

5.2.3 HUMIDITY

Any humidity in the **Housing Unit** that is not as a direct result of defects in the waterproofing elements of the **Housing Unit** is not covered.

5.2.4 MAINTENANCE AND USE

You have a duty to both maintain your **Housing Unit** and not to use it for any other purpose than for which it was intended. Failure to do so could result in a claim being rejected.

5.2.5 PRIOR KNOWLEDGE

The policy would not pay for anything that would constitute a valid claim and about which you were aware prior to purchasing the **Housing Unit** and as a consequence agreed a reduction in the purchase price of the **Housing Unit**.

5.2.6 SEEPAGE

Loss or damage caused by seepage of water into the **Housing Unit** below ground floor slab level is not covered.

5.2.7 SETTLEMENT

Normal settlement or bedding down of your **Housing Unit** is not covered.

5.2.8 SPECIAL PERILS

This exclusion lists a number of perils including fire, flood, storm etc. A full list can be found in the exclusion. Such perils would normally be covered by your home insurance.

5.2.9 SUBSIDENCE

Subsidence, heave or landslip is not covered unless resulting from a defect in the **Structure** of your **Housing Unit**.

5.2.10 WEAR AND TEAR

The policy does not cover any damage resulting from wear and tear, normal dampness, condensation, shrinkage or normal deterioration whether caused by neglect or otherwise.

All other exclusions can be found in Section 5 of the policy. It is recommended that you study these in detail.

5.3 SPECIAL CONDITIONS APPLICABLE TO THE LABC SELF BUILD WARRANTY

5.3.1 THE SCHEME IS INTENDED FOR INDIVIDUALS WHO OWN A PLOT OF LAND AND;

- wish to either build, supervise or arrange for the supervision/building of their home;
- intend to live in the home themselves after completion of the building works - i.e. genuine self-builders.

5.3.2 THE SCHEME IS NOT OPEN TO;

- anyone who has undertaken a self-build within the last 2 years;
- building contractors (multi-build individuals).

5.3.3 THE FOLLOWING CONDITIONS ALSO APPLY;

- the insured **Housing Unit** should not be sold within 24 months of completion of the building works. Assignment in the first twenty four months will only be allowed in exceptional circumstances;
- the Policy may be cancelled without returning any premium in the event of:
 - the building works period exceeding six years from the date of the start of the building works stated in the **Initial Certificate**
 - if building works ceases for 90 days or more before the **Housing Unit** is complete.
- it is the duty of the **Policyholder** to notify the **Scheme Administrator** if the **Housing Unit** is to be left unoccupied for a period of 60 days or more. During such period the **Policyholder** will have a duty to maintain and visit the **Housing Unit**.

The policy is assignable to all parties acquiring a future insurable interest in a **Housing Unit** subject to compliance with the above conditions.

6. FINANCIAL LIMITS

6.1 STRUCTURAL INSURANCE

The maximum the **Underwriter** will pay for any claim under the Policy is:

- £750,000 for any one **Housing Unit**; or
- £350,000 for any **Housing Unit** that has been converted or refurbished; or
- the Sum Insured for the **Housing Unit**, whichever is the lesser.

The Financial Limit for all **Housing Units** in one continuous structure is £1,250,000.

6.2 INDEXATION

The Financial Limits are index linked in accordance with Condition 6 of the policy.

7. DURATION OF THE POLICY

Cover will be provided for 10 years from the date specified in the **Certificate of Insurance**.

8. CANCELLATION OF INSURANCES

You have the right to cancel cover under the **LABC Self Build Warranty**. 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 cancellation must reach us by letter or email.

Contact details are:

Scheme Administrator
MD Insurance Services Ltd.
Haymarket Court
Hinson Street
Birkenhead
Wirral
CH41 5BX

Email: enquiries@labcnhw.co.uk

Please quote your **LABC Self Build Warranty** policy number when cancelling. If you choose to cancel, the premium will be returned. Any return of premium will only be made to the party that has paid the premium.

No return of the **Site Audit Surveyor's** fee will be made. The **Scheme Administrator** reserves the right to charge an administration fee.

All **LABC Self Build Warranty** policy documents should be returned to us with the cancellation request.

9. MAKING A CLAIM

We will handle all claims fairly and promptly and act on behalf of the **Underwriter** in negotiating and settling claims. To make a claim please contact:

MD Insurance Services Ltd.
Haymarket Court
Hinson Street
Birkenhead
Wirral
CH41 5BX

Telephone: 0845 054 0505
Email: enquiries@labcnhw.co.uk

10. COMPLAINTS

The **Site Audit Surveyor** aims to provide you with a high level of customer service. If you wish to make a complaint against the **Site Audit Surveyor** you should contact them directly. Details of the **Site Audit Surveyor** and their complaints procedure will be provided by the **Scheme Administrator** on request.

We also aim to provide you with a high level of customer service at all times, but if you are not satisfied, contact us:

The Complaints Officer
MD Insurance Services Limited
Haymarket Court
Hinson Street
Birkenhead
Wirral
CH41 5BX

Telephone: 0845 054 0505
Email: enquiries@labcnhw.co.uk

In the event that you remain dissatisfied, you can refer the matter to the Complaints Department at Lloyd's. The contact details are:

Complaints Department
Lloyd's
One Lime Street
London
EC3M 7HA

Telephone: 0207 327 5693
Email: complaints@lloyds.com

If you are still not satisfied, you may refer the matter to the Financial Ombudsman Service (except in the case of commercial customers with a group annual turnover of £1m or more, or trustees with a net asset value of £1m or more).

11. COMPENSATION

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of insurance, size of the business (if a commercial customer) and the circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS website at www.fscs.org.uk



Haymarket Court Hinson Street Birkenhead Wirral CH41 5BX

T 0845 054 0505 F 0845 054 0501 E enquiries@labcnhw.co.uk W www.labcnhw.co.uk

MD Insurance Services Ltd. is the Scheme Administrator for the LABC New Home Warranty. MD Insurance Services Ltd. is authorised and regulated by the Financial Services Authority. MD Insurance Services Ltd. is registered in England No: 3642459.

