

# Structural Warranty Policy

**Self-Build, Renovation  
or Conversion project**



SB Structural Warranty 2007 V2 (M)

# Build-Zone Warranty Policy

## 1. Introduction - Here is your new Policy

This **Policy** sets out the Insurance cover provided for the **Policyholder's** newly built, converted, or renovated **Housing Unit**.

In consideration of the payment of the premium **The Underwriters** agrees to provide insurance to the **Policyholder** in the manner described in the **Policy**

This Insurance cover is subject to a number of definitions conditions, exclusions and financial limits as detailed in the **Policy**

The complete **Build-Zone Warranty Policy** consists of

- The **Policy** booklet
- The **Initial Certificate** and **Certificate of Insurance**

For this Policy to be binding there should be a signed **Certificate of Insurance**. This should be filed with the Policy.

The **Policy** consists of the following sections:

1. **Introduction**
2. **Promise of Service and Complaints** detailing what you can expect from us and complaints procedure
3. **Definitions** detailing all definitions applicable o the policy
4. **Cover** detailing the precise details of cover and Automatic Extensions subject to variation by Endorsements
5. **Exclusions** detailing exclusions that apply to the whole policy
6. **Conditions**
7. **Claims Notification Procedures** detailing the procedures that should be followed when notifying a claim under the policy.

May we please ask you to examine the Policy, **Initial Certificate** and **Certificate of Insurances** to make sure that you have the cover that you require. If you need clarification or need to make any amendments, please call the **Scheme Administrator**. Immediate notice should be given to **Scheme Administrators** of any changes which may affect the insurance provided by this Policy.

### Law applicable to the contract

The parties to a contract covering a risk in the United Kingdom are allowed to choose the law applicable to the **Contract**. In the absence of any written agreement to the contrary, the law applicable to this **Contract** will be that of the country where **Policyholder** is usually resident, otherwise English law will apply

### Several Liability Notice

The subscribing **Underwriters'** obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions.

The subscribing **Underwriters** are not responsible for the subscription of any co-subscribing **Underwriter** who for any reason does not satisfy all or part of its obligations



Simon Middleton  
Director

**By authority of The Underwriter**

# 2. Promise of Service and Complaints

## Our promise to you

- We will acknowledge complaints promptly
- We will investigate quickly and thoroughly
- We will keep you informed of progress
- We will do everything to resolve your complaint fairly
- We will learn from our mistakes and use your feedback to continually improve our service

## What to do if you have a complaint

You have a number of options for making complaints about your Self Build Zone Structural Warranty Policy. Before making a complaint, please consider which of the options below is most suitable.

Please provide your policy reference number in all cases.

- 1) If the advice on the purchase of this policy was provided directly by Self-Build Zone, please contact us on 01732 742 102 or write to us at the address below, quoting your policy number or claim reference, if appropriate.

Build Zone Limited  
Anton House  
South Park  
Sevenoaks  
Kent TN13 1EB  
[customerservices@selfbuildzone.com](mailto:customerservices@selfbuildzone.com)

Build-Zone is a trading style of Sennocke International Insurance Services Limited, registered at the same address, and which is Authorised and Regulated by the Financial Services Authority

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If your complaint cannot be resolved to your satisfaction, you may write to the Chief Executive at Sennocke International Insurance Services Limited, London House, 77 High Street, Sevenoaks, Kent TN13 1LD.

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Mitsui Sumitomo (London Management) Ltd, Syndicate 3210 MIT is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme, if they cannot meet their obligations. This depends on the type of business and the circumstances of the claim. Most insurance contracts are covered for 100% of the first £2,000 and 90% of the remainder of the claim. You can get more information about compensation scheme arrangements from the FSCS. The FSCS can be contacted at 7th Floor, Lloyds Chambers, 1 Portsoken Street, London E1 8BN, or by telephone or fax (Tel: 020 7892 7300 or Fax: 020 7892 7301), or by e-mail ([enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk)).

If it is still not possible to reach an agreement then you may refer the matter to the following organization:

Financial Ombudsman Service South Quay Plaza 183 Marsh Wall London E14 9SR  
Tel. 08450801800 e-mail [enquiries@financial-ombudsman.org.uk](mailto:enquiries@financial-ombudsman.org.uk)  
[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

- 2) If your complaint is against a **Site Audit Surveyor**, whose role is to carry out inspections to satisfy the **Underwriter** that each **Housing Unit** represents a normal risk, then you should contact them directly.

Details of the **Site Audit Surveyor** and their complaints procedure will be provided by the **Scheme Administrator** on request.

## Your Rights

Your rights as a customer to take legal action remain unaffected by the existence or use of any complaint procedures referred to above. However the Financial Ombudsman Service will not adjudicate on any cases where litigation has commenced.

# 3. Definitions

(Applicable to the whole Policy wherever these words appear in bold letters)

## **Builder**

Either the **Policyholder** or any persons or company with whom the **Policyholder** has entered into an agreement or contract to erect, convert or refurbish the **Housing Unit**.

## **Build-zone Warranty**

The Policy containing the insurance cover provided by the **Underwriter**.

## **Certificate of Approval**

The Certificate issued by the **Site Audit Surveyor** to the **Underwriter** on or following satisfactory completions of each **Housing Unit**.

## **Common Parts**

Those parts of a multi-ownership building (of which the **Housing Unit** is part), for a common or general use, for which the **Policyholder** has joint ownership responsibility or access.

## **Excess**

As noted on the **Initial** and **Certificate of Insurances** the **Underwriter**. The amount relating to each and every loss in respect of the **Housing Unit** below which the **Underwriter** has no liability under this policy. A separate **Excess** shall apply to each and every separately identifiable cause of loss or damage for which a payment is made under the policy by the Underwriter, regardless of whether more than one cause of loss is notified at the same time.

## **Certificate of Insurance**

The Certificate issued by the **Underwriter** it signify acceptance of the **Housing Unit** for insurance hereunder following issue of the **Certificate of Approval** by the **Site Audit Surveyor**.

## **Housing Unit**

The property described in the Certificate of Insurance including:

- The **Structure**;
- All non-load bearing elements and fixtures and fitting for which the **Policyholder** is responsible;
- Any **Common Parts** retaining or boundary walls forming part of or providing support to the **Structure**;
- Any path or roadway providing access for the disabled;
- The drainage system within the perimeter of such property for which the **Policyholder** is responsible;
- Any attached or integral garage.

Housing Unit does not include any detached garage or outbuilding, conservatory, 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.

## **Initial Certificate**

The Certificate issued by the Underwriter signifying their agreement to the provision of the insurance cover set out in this Policy subject to receipt of a Certificate of Approval for the **Housing Unit**.

## **Limit of Indemnity**

The amount shown as the Sum Insured on the **Certificate of Insurance**, and the maximum amount the Underwriter will be liable for during the period of Insurance. The Limit of Indemnity is index linked in accordance with Condition 9 of the policy

## **Major Damage**

Any defect in the design, workmanship, materials or components of the **Structure** affecting or causing destruction or physical damage and/or affecting or causing imminent instability of the **Housing Unit** for which a **Certificate of Approval** has been received by the Underwriter and which is first discovered during the **Period of Insurance**.

For the purpose of this Policy the definition of Major Damage is deemed to include any physical loss, destruction or damage caused by contamination or pollution as a direct consequence of a defect in the design, workmanship materials of the **Structure** of the **Housing Unit**.

# 3. Definitions continued

## **Period Of Insurance**

The period specified in the **Certificate of Insurance** for the **Housing Unit**

## **Policyholder**

The owner of the property which is the subject of this insurance acquiring a freehold or leasehold interest in the **Housing Unit** or their successor in title, or any mortgagee or lessor who's interest is noted on the **Certificate of Insurance**.

## **Scheme Administrator**

Build-Zone  
Anton House  
South Park  
Sevenoaks  
Kent TN13 1EB

## **Site Audit Surveyor**

The surveyor/s appointed by the Administrator who carries out checks and inspections solely on **Underwriter's** behalf and who prior to the issue of the **Certificate of Insurance** by the **Underwriter** issues a **Certificate of Approval**.

## **Structure**

The following elements comprising the **Structure** of the **Housing Unit**:

- Foundations;
- Load-bearing parts of floors, staircases and associated guard rails, walls and roofs, together with load-bearing retaining walls necessary for stability;
- Roof covering
- Any external finishing surface (including rendering) necessary for the water-tightness of the external envelope;
- Floor decking and screeds, where these fail to support normal loads;
- Multiple glazed panels to external windows;

For the purpose of this Definition Structure shall only be deemed to include any of the above items constructed by the Builder as part of any new conversion works

## **Underwriter**

Mitsui Sumitomo (London Management) Ltd, Syndicate 3210 MIT at Lloyd's  
Lloyd's 1 Lime Street London EC3M 7HA

## **Waterproof Envelope**

**Waterproof envelope** shall mean the ground floors, external walls, roofs, skylights, windows, doors, of a **Housing Unit** but excluding those parts below ground floor slab level

## 4 Cover

The Underwriter will indemnify the Policyholder against all claims discovered and notified to the Underwriter during the **Period Of Insurance** in respect of :

1. 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.
2. The cost of making good any defect in the design material or workmanship in the drainage system which was newly constructed by the Builder in connection with the **Housing Unit** and for which the Policyholder is responsible.
3. The necessary and reasonable costs incurred in repairing, replacing or rectifying any part of the **Waterproof Envelope** within the **Housing Unit** as a result of ingress of water caused by a defect in the design, workmanship, materials or components or the waterproofing elements of the Housing Unit.
4. The cost of repairing or making good any defects in the chimneys and flues of the **Housing Unit** causing an imminent danger to health and safety of occupants.

In the event of a claim under this section the **Underwriter** has the option either of paying the cost of repairing, replacing or rectifying any damage resulting from items 1 to 4 above or itself arranging to have such damage corrected.

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

### **Additional Costs**

Such additional costs and expenses as are necessarily incurred solely in order to comply with Building Regulations or Local Authority or other Statutory Provisions, provided that the **Underwriter** shall not be liable for costs that would have been incurred irrespective of the discovery of a claim

### **Alternative Accommodation Costs**

All reasonable additional costs and expenses for a period not exceeding 26 weeks in respect of removal, storage and alternative accommodation whilst the **Housing Unit** is uninhabitable.

### **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 **Housing Unit** but shall not include costs or fees incurred by the **Policyholder** in preparing a claim.

### **Removal of Debris**

For each **Housing Unit** the costs and expenses incurred by the **Policyholder** with the **Underwriter's** written consent in respect of:

- (a) removal of debris
- (b) dismantling or demolishing
- (c) shoring up

the **Housing Unit**

# 5 Exclusions

The Underwriters shall not be liable to the policyholder for any:

## **Alterations**

Loss or damage due to arising from any alterations, modification or addition to the **Housing Unit** after the issue of the Certificate of Insurance unless the **Scheme Administrator** has been informed, the Certificate of Insurance endorsed, and any applicable additional premium paid to the **Underwriter**.

## **Change in Colour**

Any change in colour, texture, opacity or staining or other ageing process.

## **Consequential Loss**

Consequential loss of any description except as specifically provided for in this Policy.

## **Defects in Existing Works**

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

## **Humidity**

Loss or damage caused by or in consequent upon humidity in a Housing Unit that is not a direct result of the ingress of water caused by a defect in the design, workmanship, materials and components of the waterproofing elements of the Waterproof Envelope of the Housing Unit.

## **Legal Liabilities**

Cover for any legal liabilities that the **Policyholder** may have to third parties arising out of the use or ownership of the **Housing Unit**

## **Maintenance And Use**

Inadequate maintenance of and/or abnormal use of the **Housing Unit** or the imposition of any load greater than that for which the **Housing Unit** was designed or the use of the **Housing Unit** for any propose other than that for which it was designed unless the **Underwriter** has been informed, the **Certificate of Insurance** endorsed and any applicable additional premium paid to the **Underwriter**.

## **Personal injury**

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

## **Prior Knowledge**

Anything which would constitute a valid claim under the Policy and about which the Policyholder was aware prior to purchasing the Housing Unit.

## **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:

1. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
3. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
4. 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;
5. any chemical, biological, bio-chemical, or electromagnetic weapon.

## **Reasonableness**

In the event of a valid claim under the **Policy** the **Underwriter** shall only be responsible for costs and expenses that a reasonable person would incur if spending their own money. Whenever possible if items can be found to match existing items at reasonable cost 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.

# 5 Exclusions continued

## **Seepage**

Loss or damage caused by seepage of water into a Housing Unit below ground floor slab level.

## **Settlement and Drying Out**

Loss or damage caused by or consequent upon normal settlement, bedding down, or drying out of the Housing Unit.

## **Sonic Bangs**

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

## **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, malicious persons, theft, attempted theft or impact.

## **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 the design, workmanship, materials or components of the **Structure** of the **Housing Unit**.

## **Unfinished Works**

Loss of or damage due to or arising from any unfinished building works to a **Housing Unit** which are completed after the issue of a **Certificate of Insurance**

## **Vermin**

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

## **War Risks**

This policy does not cover loss or damage directly or indirectly caused by, happening through or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or 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.

## **Water Table**

Loss or damage resulting solely from a change in the water table level.

## **Wear and Tear**

- a) wear and tear;
- b) normal dampness, condensation or shrinkage;
- c) wilful neglect or criminal act of the Policyholder;
- d) normal deterioration whether caused by neglect or otherwise.

## **Wilful Acts**

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

# 6 Conditions

## 1. Arbitration

If any difference shall arise as to the amount to be paid under is Policy (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with the statutory provisions then in force. Any making of an award shall be a condition precedent to any right of action against the **Underwriter**.

## 2. Automatic Reinstatement of Limit of Liability

In consideration of the Limit of Indemnity not being reduced by the amount of any loss, the Policyholder agrees to pay:

- i) the pro-rata additional premium on the amount of such loss from the date of notification of claim to the date of expiry of the Structural Insurance Period relative to the **Housing Unit**. This Payment of any additional premium due under this condition shall be waived where the amount of any one loss covered by this Policy does not exceed £20,000.
- ii) Any Site audit Survey Fee for checking of the design and inspection of any work relating to the repair or rebuilding of any Housing Unit which has been subject to a claim under this policy. No reinstatement shall occur unless a Certificate of Approval in respect of such repair or rebuilding work has been issued by the appointed Site Audit Surveyor.

## 3. Biological or Chemical Materials Exclusions

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

## 4. Cancellation

### Right to cancel

You have the right to cancel this policy within 14 days of receiving your Build-Zone Warranty Policy documents. If you wish to do so, you must advise the Scheme Administrator in writing, returning all Certificates and Policy documentation. A return of the Premium will be made, however the Scheme Administrator reserves the right to charge an Administration fee.

Please check with your mortgage lender prior to cancelling cover as the Warranty may form a condition of the loan. Please also note that if you sell the property, most prospective lenders will require a Warranty or it's equivalent in place.

### The Underwriters right to cancel

The Underwriter reserves the right to cancel the Policy without returning any premium in the event of the building work ceasing for more than 90 days or more before the housing unit is complete.

## 5. Contract (Rights of Third parties) Act 1999 Clarification Clause

A person who is not party to this contract has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this contract but this does not affect any right or remedy of a third party which exists or is available apart from that act.

## 6. Contribution

If at any time of any occurrence giving rise to a claim under the Policy:

- i. there is, or would but for the existence of this insurance, be any other insurance applicable, or;
- ii. the Policyholder has entitlement to any statutory damages or compensation;

This Policy shall be limited to any amount in excess of such insurance, damages or compensation and shall not be called into contribution.

## 7. Financial Limits

The maximum the underwriter will pay for any claim under this policy is:

- i. £1,000,000 for any one housing unit
- ii. £500,000 for any one Housing Unit that has been converted or refurbished

Or the Sum Insured for the Housing Unit, which ever is the lesser.

The Financial Limit for all Housing Units in one continuous structure is £1,500,000

The Financial Limits are index linked in accordance with Condition 10 of the policy.

### **Common Parts**

The maximum the **Underwriter** will pay for any claim relating to **Common Parts** will be the amount that the policy holder has a legal liability to contribute towards the cost of repairs, rectification or rebuilding works. Claims are subject to **Financial Limits** and **Excess**.

### **8. Fraud**

In any claim 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.

### **9. Indexation**

The Limit of Indemnity and Minimum Claim Value referred to within the Certificate of Insurance will be separately increased in line with the RICS Building Index or 5% per annum compound, whichever is the lesser, on each anniversary of the commencement of the Structural Insurance Period. For the purpose of settlement of any claim hereunder the Limit of Indemnity, as adjusted in accordance with the foregoing provisions shall be regarded as the Limit of Indemnity at the time of discovery by the Policyholder of such claim.

### **10. Misrepresentation**

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

### **11. Recoveries From Third Parties**

The **Underwriter** is entitled 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 loss or damage covered by this Policy.

### **12. Underwriter's Rights**

In the event of any occurrence which may give rise to a claim under this Policy, the Underwriter and its agents shall, with the permission of the Policyholder, be entitled to enter the Housing Unit in order to carry out rectification works or the complete or partial rebuilding of the property. If such permission is unreasonably withheld the Policyholder shall be responsible for any additional costs caused by the delay in carrying out such works.

# 7 Claims Procedures

## **Notice of Claims**

In the event of any occurrence which may give rise to a claim under this **Policy**, the **Policyholder** shall as soon as possible give written notice thereof to the **Scheme Administrator**.

## **Diminution of Loss or Damage**

**The Insured** shall carry out and permit any action to be taken which may be reasonably practicable to diminish and/or prevent any further loss or damage.

## **Submission**

Submit in writing full details of the claim and supply all correspondence, reports, plans, certificates, specifications, quantities, calculations, information and assistance as may be required.

## **7. Other Insurances**

If at the time of any occurrence or claim there is or but for the existence of this **Policy** would be any other **Policy** of indemnity or insurance in favour of or effected by or on behalf of the **Policyholder** applicable to such occurrence or claim the **Underwriter** shall not be liable under this **Policy** to indemnify the **Policyholder** in respect of which occurrence or claim except so far as concerns any excess beyond the amount which would be payable under such other indemnity or insurance had this **Policy** not been effected.

## **8) Arbitration**

If any difference shall arise as to the amount to be paid under the **Policy** (liability being otherwise admitted) such difference shall be referred to an Arbitrator to be appointed by the parties in accordance with the statutory provisions in behalf for the time being in force. Where any difference is by this Condition to be referred to arbitration the making of an Award shall be a condition precedent to any right of action against **The Underwriter**.



Build Zone  
Anton House  
South Park  
Sevenoaks  
Kent  
TN13 1EB

**[www.build-zone.com](http://www.build-zone.com)**

Telephone 0845 230 9874  
Facsimile: 01732 740 994