



Insurance Backed Guarantee

Policy Document

Definitions

“**Beneficiary / You / Your**” means the party or parties who entered into a contract with the **Policyholder** to undertake the **Insured Works** at the **Property** shown in the **Certificate of Insurance** or any party or parties who subsequently acquires an insurable interest in the **Property**.

“**Building Regulations**” means the UK legislation that governs how the **Insured works** are constructed and specific to the location of the **Insured works**, as shown on the **Certificate of Insurance**, which was in force at the time the **Insured works** were undertaken.

“**Certificate of Insurance**” means the certificate issued by the **Insurer** to signify acceptance of the **Insured Works** for insurance hereunder.

“**Ceased to Trade**” means a Limited Company ceasing to trade due to liquidation, receivership, administration or the winding up of the business due to bankruptcy or in respect of a sole trader or partnership all proprietors being declared bankrupt.

“**Commencement Date**” means the first day upon which the **Policyholder** starts the **Insured Works** at the **Property**.

“**Contract Price**” means the cost of the **Insured Works** as shown in the **Certificate of Insurance**.

“**Deposit**” means the sum of money paid by the **Beneficiary** to the **Policyholder** prior to the **Commencement Date** being a part-payment toward the **Contract Price**, and subject to the limits of indemnity detailed in the policy.

“**Excess**” means the amount as stated in the **Certificate of Insurance** for which the **Insurer** shall not be liable in respect of each and every loss. The **Excess** shall not be deducted from the Limit of Indemnity.

“**Inherent Defect**” means any fault, defect, error or omission in the design, specification, materials or workmanship in the **Insured Works** that existed, but remained undiscovered on the **Practical Completion Date** but which subsequently becomes apparent and is reported during the **Period of Insurance**.

“**Insured Works**” means the works undertaken at the **Property** as referred to in the **Certificate of Insurance** and more fully specified in the written contract between the **Policyholder** and the **Beneficiary**, a copy of which must be retained by the **Beneficiary** and produced to the **Insurer** in the event of a claim.

“**Insurer / We / Our / Us**” means International General Insurance Company (UK) Ltd. is registered in England and Wales (registration no. 06870207), authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority—FRN 519580.

“**Maintenance**” means the obligation of the **Beneficiary** to provide the proper care and upkeep of the **Insured Works** taking account of the **Policyholder’s** instructions and requirements.

“**Period of Insurance**” means the period shown in the **Certificate of Insurance**.

“**Policyholder**” means the Contractor named in the **Certificate of Insurance**.

“**Practical Completion Date**” means the date on which the **Insured Works** were fully completed to the **Beneficiary’s** entire satisfaction, demonstrated by the full and final payment made by the **Beneficiary** to the **Policyholder**, which must be evidenced in the event of a claim.

“**Property**” means the Land / building(s) / structure(s) at the address / location detailed in the **Certificate of Insurance**.

“**Scheme Administrator**” means Ark Insurance Group Ltd, Oak House, Eastwood Business Park, Harry Weston Road, Coventry CV3 2UB by whom this policy is administered on behalf of the **Insurer**.

“**Written Guarantee**” means the document that defines the obligations of the **Policyholder** to the **Beneficiary** in making good any **Inherent Defect** in the **Insured Works**. The **Written Guarantee** or a copy must be provided to the **Insurer** in the event of a claim.

Benefits

This Policy of Insurance has been purchased by the **Policyholder** to provide only the level of benefit defined in this Policy.

In the event of the **Policyholder** having **Ceased to Trade** and being unable to honour the terms of the **Written Guarantee**, the benefits of this policy of insurance may differ from the terms of the **Written Guarantee**.

Section 1 – Deposit Protection

For a period of 120 days from the date on which the **Beneficiary** paid a **Deposit** (and for which the **Beneficiary** must be able to provide proof of payment) to the **Policyholder**, and as a result of the **Policyholder** having **Ceased to Trade**, then fails to commence the **Insured Works** the **Insurer** will at its option either;

1. arrange for an alternative firm to complete the **Insured Works** for a fair market price with the **Beneficiary** paying the remaining balance of the original **Contract Price** and the **Insurer** contributing the shortfall in the final cost; or
2. refund to the **Beneficiary** the amount of the **Deposit** payment.

Section 2 – Work in Progress

If the **Policyholder** fails to complete the **Insured Works** within 42 days for contracts with a value of up to £35,000, or 90 days for contracts with a value of over £35,000, from the **Commencement Date** as a result of the **Policyholder** having **Ceased to Trade**, the **Insurer** will at its option either;

1. Arrange for an alternative firm to complete the **Insured Works** for a fair market price with the **Beneficiary** paying the remaining balance of the original **Contract Price** and the **Insurer** contributing the shortfall in the final cost; or
2. Refund to the **Beneficiary** the amount of the **Deposit** made in respect of the **Insured Works**, excluding the value of any materials supplied and work done.

Section 3 – Post ‘Practical Completion Date’

1. The **Insurer** agrees to indemnify the **Beneficiary** in respect of the cost of making good an **Inherent Defect** as provided for within the terms of the **Written Guarantee** in the originally completed **Insured Works** at the **Property** arising and notified to the **Scheme Administrator** during the **Period of Insurance**, only where the **Policyholder** has **Ceased to Trade**.
2. The **Insurer** also agrees to indemnify the **Beneficiary**, for a period of 6 years from the **Practical Completion Date** in respect of the cost of making good a breach of **Building Regulations** in the **Insured Works**, where the **Policyholder** has **Ceased to Trade** and is unable to honour their obligations as a Competent Person under a UKAS approved Competent Persons Scheme. The **Building Regulations**, and subsequently this element of cover, is only applicable to **Insured Works** within existing domestic dwellings in England and Wales.

Limits of Indemnity

The **Insurer’s** total liability in respect of all claims under this policy shall be limited to:

Section 1 – Deposit Protection - 25% of the **Contract Price** or £12,500 whichever is the lesser;

Section 2 – Work in Progress - 50% of the **Contract Price** or £12,500 whichever is the lesser;

Section 3 – Post Practical Completion Date - the **Contract Price** shown in the **Certificate of Insurance**, subject to the automatic extensions shown below.

Any costs incurred that amount to more than these Limits of Indemnity and any automatic extensions are the responsibility of the **Beneficiary**.

Automatic extensions

1. If not included in the **Contract Price**, the **Insurer** will pay up to an additional 10% of the **Contract Price** of the **Insured Works** for costs associated with the preparation of defective areas for repair including any required access / scaffolding.
2. Where work is required in rectification of breaches of the **Building Regulations** the maximum payable under this policy of Insurance will be an amount representing 125% of the **Contract Price**.

Exclusions

This policy does not cover;

- i) any special exclusion contained in the **Certificate of Insurance** or in any Endorsement;
- ii) the **Excess** stated in the **Certificate of Insurance**;
- iii) any defects, damage or threat of damage caused by or consequent upon;
 - (a) defects in any elements of the structure not forming part of the **Insured Works**;
 - (b) any alterations, repairs, modifications, additions or other works to or any change in the occupation or use of the **Property** likely to affect the **Insured Works** unless surveyed on behalf of, and approved in writing by, the **Insurer**;
 - (c) inadequate **Maintenance** or abnormal use of the **Property** or the imposition of any greater load than that for which the **Insured Works** were designed;
 - (d) wilful acts or omissions of the **Beneficiary**;
 - (e) perils otherwise insured or normally insurable including but not limited to fire, lightning, explosion, earthquake, aircraft or other aerial devices or articles dropped therefrom, storm, tempest, flood, frost, bursting or overflowing of water tanks, pipes or other apparatus, or water discharged from an automatic sprinkler installation;
 - (f) pressure waves caused by aircraft or aerial devices travelling at sonic or supersonic speeds;
 - (g) ionizing radiation or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel or the radioactive toxic explosive or other hazardous properties of any nuclear assembly or component thereof;
 - (h) war, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil war, revolution, rebellion, insurrection or military or usurped power, riot or civil commotion 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;
 - (i) consequential loss of any kind not specifically included under this policy or endorsement thereof;
- iv) any Claim made by any claimant other than the **Beneficiary**.
- v) any fault, failure, loss or damage for which compensation / recourse is provided by legislation such as, but not limited to, the Consumer Credit Act 1974.

Cancellation

The **Policyholder** has the right to cancel cover under this Policy. If the **Policyholder** wishes to cancel the cover the **Policyholder** must do so within 14 days starting on the day after the **Policyholder** receives the policy documents. Please write to the **Scheme Administrator** at Oak House, Eastwood Business Park, Harry Weston Road, Coventry CV3 2UB.

If the **Policyholder** chooses to cancel this policy during the 14-day period the premium paid will be returned and where the **Policyholder** is a limited company, an administration fee of £25 will apply. If the **Policyholder** has **Ceased to Trade** no refund will be paid, and the policy terms and conditions will stand in favour of the **Beneficiary**.

All policy documents and the **Certificate of Insurance** must be returned with the cancellation request and before the **Insurers** will cancel this policy the **Policyholder** must provide written confirmation from the **Beneficiary** that they are aware no cover is in force and quoting this policy number shown in the **Certificate of Insurance**.

The **Policyholder** should be aware that if the **Policyholder** chooses to cancel the policy after the 14 days, no refund of premium will be paid.

Conditions

1. This policy, the **Certificate of Insurance** and any endorsements attached hereto shall be read together as one contract and any word or expression to which a specific meaning or definition has been given shall have such meaning or definition wherever it may appear.
2. The **Beneficiary** shall take all reasonable precautions to avoid losses that are or may be recoverable under this insurance and shall undertake and keep adequate records of all **Maintenance**.
3. This policy will at the discretion of the **Insurer** be voidable in the event of any deliberate; misrepresentation, misdescription, error, omission or non-disclosure on the part of the **Policyholder** in relation to the **Insured works**.
4. The **Insurer** will not be liable for any loss, destruction or damage hereby insured indemnifiable by any other Insurance Backed Guarantee policy (or policies) in the name of the **Beneficiary** or **Policyholder** except in respect of any excess beyond the amount that would have been payable under such other Insurance Backed Guarantee policy (or policies) had this insurance not been effected.
5. If any claim is fraudulent or if any fraudulent means or devices are used by the **Beneficiary** or an agent of the **Beneficiary** in order to obtain benefit under this policy or if any damage is caused by any wilful act or omission of or with the connivance of the **Beneficiary** or agent of the **Beneficiary** all benefit under this policy will be forfeited.
6. Any claimant under this policy will before or after indemnity is provided hereunder at the request and at the expense of the **Insurer** take and permit to be taken all measures as may be deemed necessary or reasonably required by the **Insurer** for the purposes of enforcing any rights and remedies or of obtaining relief or indemnity from any party or parties to which the **Insurer** will or would become entitled or subrogated upon providing indemnity herein.
7. If any difference shall arise as to the amount to be paid under this policy (liability being otherwise admitted), such differences shall be referred to an Arbitrator to be appointed by the parties in accordance with the statutory provisions 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 **Insurer**.
8. The parties to this policy are free to choose the law applicable to them. Without agreement to the contrary, English Law will apply.
9. If the **Beneficiary** has withheld any amount of the invoiced cost of the **Insured Works** the **Insurer** will be entitled to deduct the amount withheld from the cost of rectifying any defects for which they are liable under this policy.
10. A person who is not a party to this contract of insurance has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this insurance but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

How to make a Claim

On discovery of damage or imminent threat of damage which may give rise to a claim under this policy the **Beneficiary** must:

1. Immediately give written notice to the **Scheme Administrator** at, Ark Insurance Group, Oak House, Eastwood Business Park, Harry Weston Road, Coventry, CV3 2UB;
2. Take all reasonable precautions to prevent further damage;
3. Within 30-days of such discovery submit in writing full details then available to the **Scheme Administrator** together with details of any other policies insuring the **Property**;
4. If the **Insurer** exercises their option to effect indemnity hereunder by reinstatement, supply all reports, certificates, plans, specifications, quantities, information and assistance as may be reasonably required by the **Insurer** at the **Beneficiary's** expense;
5. If required by the **Insurer**, provide a statutory declaration of the truth of the claim and any matter relating to it.

Enquiries and Complaints

If the **Beneficiary** or the **Policyholder** have any enquiry about this insurance, contact the **Scheme Administrator**. Please quote the policy number or claim number so that the enquiry can be dealt with quickly.

If the **Beneficiary** or the **Policyholder** have a complaint, contact The Complaints Manager, Ark Insurance Group, Oak House, Eastwood Business Park, Harry Weston Road, Coventry, CV3 2UB.

While dealing with a complaint it may be necessary for the matter to be referred to International General Insurance Company (UK) Ltd – the claimant will be informed immediately if this is the case. Please quote the policy number or claim number in all correspondence.

In the unlikely event that the matter is still not resolved to the satisfaction of the **Beneficiary**, the complaint can be referred to the Financial Ombudsman Service ('FOS') at The Financial Ombudsman Service, Exchange Tower, London E14 9SR. or by phone on 0800 023 4 567. Please note you have 6 months from the date of **Our** final response in which to refer the matter to the FOS. Referral to the FOS does not affect your right to take legal action against **Us**.

About the Insurer

International General Insurance Company (UK) Ltd. is registered in England and Wales (registration no. 06870207), authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority– FRN 519580. LEI No. 2138009PPGB2LQ8XZC76. **We** are also members of the Financial Ombudsman Service (FOS) and the Financial Services Compensation Scheme (FSCS). Details about the extent of the firm's regulation by the UK's Financial Conduct Authority and the Prudential Regulation Authority are available from **Us** upon request.

Financial Services Compensation Scheme

If the **Insurer** is unable to meet its liabilities the **Beneficiary** of this policy may be entitled to compensation under the Financial Services Compensation Scheme (FSCS). Further information about compensation scheme arrangements is available at www.fscs.org.uk, or by email at enquiries@fscs.org.uk or by phone on 020 7741 4100.

Privacy Notice

The **Scheme Administrator** and the **Insurer** gather and process personal data in accordance with the EU General Data Protection Regulation (GDPR) and any relevant data protection legislation.

Personal data may be used by the **Scheme Administrator**, the **Insurer** or third parties for underwriting and claims purposes and in order to administer the policy. The **Scheme Administrator** and the **Insurer** will ensure that personal data is kept secure, is used only for the purpose for which it was supplied and is retained only for as long as necessary.

The **Scheme Administrator** is registered with the Information Commissioner's Office (ICO) as a data controller and is listed on the Register of Data Controllers under registration number ZA197420. The **Scheme Administrator's** full Privacy Notice is available at <http://www.arkinsurance.co.uk/privacy.aspx>.

The **Insurer** is registered with the Information Commissioner's Office (ICO) as a data controller and is listed on the Register of Data Controllers under registration number Z3159017. The **Insurer's** full Privacy Notice is available at <https://www.iginsure.com/privacy/>.

Fraud

The **Beneficiary** or **Policyholder** must not act in a fraudulent way. If the **Beneficiary** or **Policyholder** or anyone acting for the **Beneficiary** or **Policyholder**:

- i) makes a claim under the insurance knowing the claim to be false or exaggerated in any way; or
- ii) makes a statement in support of a claim knowing the statement to be false in any way; or
- iii) sends **Us** or the **Scheme Administrator** any documentation in support of a claim knowing the documentation to be forged or false in any way; or
- iv) makes a claim for any loss caused by the **Beneficiary** or **Policyholder's** deliberate act or with the **Beneficiary** or **Policyholder's** agreement;

then the **Insurer**:

- will not pay the claim;
- will not pay any other claim which has been or will be made under the insurance;
- may declare the insurance void;
- will be entitled to recover from the **Beneficiary** or **Policyholder** the amount of any claim already paid under the insurance;
- will not return any of the premiums;
- may pass the **Beneficiary's** or **Policyholder's** details to the authorities should it become necessary for investigative purposes.

Other Important Notes

Language - All communication between **You** and **Us** will be conducted in English.

In accordance with the Equality Act 2010, the **Scheme Administrator** is able, upon request, to provide a text phone facility, audio tapes and large print documentation. Please advise the **Scheme Administrator** if **You** require any of these services to be provided so that **We** can communicate with **You** in an appropriate manner.

INSURANCE BACKED GUARANTEE

CERTIFICATE OF INSURANCE

This Certificate must be read in conjunction with the Policy document. If you have not received the accompanying Policy document then please contact the Scheme Administrator immediately in writing to Ark Insurance Group, Oak House, Eastwood Business Park, Harry Weston Road, Coventry, CV3 2UB, or calling them on 02476 437611 to request a copy.

Policy Number:		Reason for Issue:	New Business
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Insurer:	International General Insurance Company (UK) Limited
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Policyholder:	
Limited Company No:	

Beneficiary:	The Owner of the Property and successors in Title
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Insured Works:	
Job Number / Reference	
Property:	

Section 1 - Deposit Sum insured:	Up to a maximum of 25% of the Contract Price or £12,500, whichever is lesser.
Section 2 - Works Sum insured:	Up to a maximum of 50% of the Contract Price or £12,500, whichever is lesser.
Section 3 - Post Practical Completion Date - Total Contract Price:	£x
Sections Operative:	Section 3 only

Policy Start Date:	
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Period of Insurance:	10 Years from the Policy Start Date
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Excess:	£500.00 each and every claim
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Applicable Endorsements:	None
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Signed on behalf of the Insurers under the authority granted to Ark Insurance Group Ltd under binding Authority number BW0222117



Name: Rachel Gow
Date: 23/04/2020

Ark Insurance Group Limited

Oak House
Eastwood Business Village
Harry Weston Road
Coventry
CV3 2UB

Telephone: 0247 643 7611 | Fax: 0247 663 6902 | Email: info@arkinsurance.co.uk

Ark Insurance Group Limited is authorised and regulated by the Financial Conduct Authority and is entered on the FCA Register under reference 706598.

International General Insurance Company (UK) Ltd

15-18 Lime Street
London
EC3M 7AN

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