



WELCOME TO STAMFORD INSURANCE

About Us

Stamford Insurance Ltd is a Registered Financial Adviser and a leading provider of Insurance to the building industry.

Since 2014 we have specialised in Building Warranty Insurance 'BWI', and our policies continue to offer New Zealanders the widest defects cover available, backed by the security of one of the World's leading insurers. Stamford is owned and managed by insurance professionals with many years' experience, and we are committed to delivering outstanding cover and service.

Stamford issues policies on behalf of Underwriting members of SCOR Syndicate 2015 at Lloyds of London. An insurer licensed with the Reserve Bank of New Zealand.

About Lloyd's of London (Lloyd's)

Lloyd's underwriters are amongst the largest commercial insurers and reinsurers in New Zealand. Their customers are the businesses and entrepreneurs who drive and serve the New Zealand economy and they come to Lloyd's to access the scale, diversity and financial strength of this specialist insurance and reinsurance market.

Lloyd's financial strength and robust capitalization is reflected in its ratings.

Lloyd's has a rating of A+Superior from AM Best

The AM Best Company financial strength rating scale is:

A++, A+
(Superior) B++,
B+ (Good)
C++, C+

A, A-
(Excellent) B,
B- (Fair)
C, C- (Weak)

What you are covered for

- For the first 2 years you are insured against Damage caused by any Defect in the design, materials, or workmanship of your home
- For a further 8 years you are insured against Major Defects and failure of the waterproof envelope

What you are not covered for

- Damage that is not related to a Defect in the design, materials, or workmanship of your Home
- Alterations or changes that have occurred after Your Dwelling has been built
- Landscaping works
- Events traditionally insured under a normal Home Policy
- A number of other standard exclusions explained in the policy wording



FREQUENTLY ASKED QUESTIONS

How does the process work?

When the premium is paid, Stamford will issue an Initial Certificate as evidence of premium payment and as proof that you have arranged insurance for your project when it is successfully completed. At completion, we will request, the Certificate of Practical Completion, the Code Compliance Certificate and your declaration of final construction cost, along with the name(s) of the new owners or the Body Corporate. Stamford will then issue a policy to each individual owner or to the BC.

What cover is provided?

Our policies cover All Defects for 2 years from the date of Practical Completion and Major Defects including failure of the waterproof envelope for a further 8 years (the Structural Insurance Period) due to:

- Defective design or specification
- Failure of products and materials
- Defective workmanship.

Does the cover keep pace with inflation?

Yes, the sum insured is index-linked to a maximum of 5% p.a.

What happens when a property is sold?

The policy can be transferred to the new owner (an administration fee applies). The policy can be transferred any number of times within the 10-year policy period.

Are there any conditions or exclusions that apply?

Yes, please refer to the Building Warranty Policy document for further details on the conditions and exclusions that apply.

Is the Policy still valid once the repairs have been carried out?

Yes, the building is still covered by the Policy for the balance of the 10 years.



ABOUT THIS DOCUMENT

Stamford Insurance Building Warranty Insurance policy is specifically designed for newly built and renovated homes.

It provides protection against defects for 10 years.

This document contains the terms and conditions, and it is a legal agreement between you, the Builder and/or Developer and us.

We recommend that you read this document, as it will give you the information you need to help you understand what protection you have.

If you are not sure about anything in this document, you can contact us to check what protection you have for your home.

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HOW YOUR POLICY WORKS

Your insurance contract consists of the Policy Wording and the Certificate of Insurance and they are designed to be read together. The Initial Certificate is issued to confirm our intention to provide cover on satisfactory completion of the project. When the project is completed, you must provide us with the **Code Compliance Certificate**, and we will then issue the **Final Certificate** to bring the policy into effect. If we do not receive the **Code Compliance Certificate**, no cover applies.

If there is a conflict between the information in the **Final Certificate** and the policy, the certificate takes priority over the policy.

Please check your Certificates to make sure that we have the correct information. If you need clarification or need to make any amendments, please contact us.

CONTACT US

0800 927 0100

info@stamfordinsurance.co.nz

3/106 Bush Road, Rosedale,
Auckland 1010

PO Box 305228, Triton Plaza, Auckland
0757

INITIAL CERTIFICATE

Policy Number	BWP0001796
UMR	B6083172500401
Address	30 Clonbern Road, Remuera, Auckland
Date of issue	26 June 2025

Developer	Fulla Homes Limited
Builder	Mergan Living Limited
Policyholder	To be advised
Interested Party	N/A
Anticipated Building Works Period	01/08/2024 - 07/03/2025
Anticipated Period of Insurance	07/03/2025 - 7/03/2035

Estimated Sum Insured (incl. GST)	\$2,054,374.50
Excess per dwelling each and every separately identifiable cause of loss	\$2,500.00 each and every claim

Removal of debris	5%
Fees	5%
Alternative Accommodation	\$25,000.00

Issued by Stamford Insurance Limited as Coverholder On behalf of Lloyd's of London.

ENDORSEMENT 1



Completed Property Endorsement

Attaching to and forming part of Policy Number BWP0001796

The Insurer shall not be liable for any claims arising out of any pre-existing defect or defects which the Insured or his builder was aware of or ought to have been aware of at the time of making the application for this insurance.



STAMFORD INSURANCE

10 YEAR BUILDING
WARRANTY
INSURANCE POLICY



Trusted Protection
for Every Build.

0800 927 0100
STAMFORDINSURANCE.CO.NZ

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General Information

New Zealand Law

The law of New Zealand applies to this Policy, and the New Zealand courts have exclusive jurisdiction.

New Zealand Currency

All amounts referred are expressed in New Zealand currency and include Goods and Services Tax (GST) and all other taxes unless otherwise stated. All claims will be paid in New Zealand currency.

Inflation Protection

The Limit of Liability referred to within the Final Certificate will be separately increased in line with the Statistics New Zealand Residential Building Price Index or 5% per annum compound, whichever is the lesser, on each anniversary of the commencement of the **Defects** Insurance Period. For any claim settlement, the Limit of Liability shall be the adjusted limit at the time of discovery.

Privacy Policy

We are committed to safeguarding your privacy and the confidentiality of your information. We will only request information from you, which is relevant to the insurance policy and will only disclose that information to the insurers and other third-party business partners who are working with us.

The information you provide will be stored physically or electronically (including via cloud storage) by us, our partners in New Zealand or elsewhere. We will take reasonable steps to ensure that any personal information that we collect is stored securely.

This document contains the terms and conditions, and it is a legal agreement between you and us. The collection of this information is required and your duty to disclose all material facts relevant to the Insurance. Failure to provide this information may result in your policy or claim being declined, or your Insurance being void. You have rights to access and correct this information subject to the provisions of the Privacy Act 2020.

If you want to cancel the Policy

You have the right to cancel this Policy within 14 days of receiving Your policy documents. If you wish to do so, advise Stamford Insurance in writing, a return of the premium, provided you have not made a claim, will be made to the party who paid the premium, less any administration fee.

NZ Fair Insurance Code

The Insurance Council of NZ has developed the Fair Insurance Code ("the Code"), which is a self-regulatory code which sets out the standard of service member companies must provide to their customers.

The Code aims to raise the standards of practice and service in the insurance industry.

This policy is subject to the protections afforded by the Fair Insurance Code.

For further information on the Code please visit [Fair Insurance Code - ICNZ](https://www.fairinsurance.co.nz/).



Complaints And Disputes

If you have any concerns or wish to make a complaint in relation to this policy, our services or your insurance claim, please let us know and we will attempt to resolve your concerns in accordance with our Internal Dispute Resolution procedure. Please contact Stamford Insurance in the first instance:

Complaints Officer

Stamford Insurance Limited
PO Box 305228, Triton Plaza, Auckland 0757
info@stamfordinsurance.co.nz
0800 927 0100

What happens next?

If **Stamford Insurance** is not able to resolve your complaint satisfactorily by close of business the 3rd working day following receipt of your complaint, they will refer your complaint to the Head of Compliance at **SCOR Managing Agency Ltd.**, who will send you an acknowledgement letter within 5 business days. If you don't receive any acknowledgement letter, or at any time if you wish to do so, you may contact the Head of Compliance yourself by writing to:

SCOR Managing Agency Ltd.
8 Bishopsgate,
London,
EC2N 4BQ
Telephone: 0203 817 5070
E-mail: SYND-Complaints@scor.com
scorchannelcomplaints@scor.com

SCOR Managing Agency Ltd will investigate your complaint and will provide you with a written response within 10 business days of your initial complaint. This will either be a Stage 1 response or a letter informing you that SCOR Managing Agency Ltd need more time for the investigation.

In the event that you remain dissatisfied with SCOR Managing Agency Ltd's response then you may refer the matter to the Complaints team at Lloyd's for a stage two review. This review will be conducted by Lloyd's Australia on behalf of Lloyd's in New Zealand. Lloyd's Australia has 10 business days to resolve the complaint.

Lloyd's Australia Complaints Team
Email: ldraustralia@lloyds.com
Telephone: +61 (0)2 8298 0783

Post: Lloyd's Australia Ltd, Suite 1603
Level 16, 1 Macquarie Place, Sydney
NSW 2000, Australia

If the matter cannot be resolved at stage two and/or it has been more than two months since the complaint was made, you will be advised of the reasons for this via a 'deadlock' letter and advised of your right to elevate the matter to the Insurance and Financial Services Ombudsman (IFSO). IFSO can be contacted as follows:

Telephone: [0800 888 202](tel:0800888202) or [+64 4 499 7612](tel:+6444997612)
Email: info@ifso.nz or via their website www.ifso.nz.
Post: PO Box 10-845 Wellington New Zealand

Your complaint must be referred to IFSO within 3 months of the final decision, unless IFSO considers special circumstances apply. If your complaint is not eligible for consideration by IFSO, you may be referred to the Financial Ombudsman Service (UK) or you can seek independent legal advice. You can also access any other external dispute resolution or other options that may be available to you.

Service of Suit

The Underwriters accepting this Insurance agree that:

- (i) if a dispute arises under this Insurance, this Insurance will be subject to New Zealand law and practice and the Underwriters will submit to the jurisdiction of any competent Court in New Zealand;
- (ii) any summons notice or process to be served upon the Underwriters may be served upon:

**Lloyd's New Zealand
Mr Scott Galloway
Lloyd's General Representative in New Zealand
c/o Hazelton Law
Level 29 Plimmer Towers
2-6 Gilmer Terrace
Wellington**

Who has authority to accept service on the Underwriters' behalf;

- (iii) if a suit is instituted against any of the Underwriters, all Underwriters participating in this Insurance will abide by the final decision of such Court or any competent Appellate Court.



Meaning Of Words

You'll notice that some words in your Policy are in bold; this is because they have a special meaning as defined here.

Builder

The person, firm or company, referred in the Initial and Final Certificate who is responsible for building your dwelling.

Building Contract

The contract or agreement between the Developer and the Policyholder in respect of the construction of the Dwelling at the new Development.

Body Corporate

A legal entity made up of all the owners within a unit titled property. Owning a unit or apartment in a complex automatically makes you a member of your property's body corporate, which gives you a say in the daily running and maintenance of the body corporate.

Bodily Injury

Any physical harm, damage, or impairment to a person's body caused by an external force. This can include cuts, bruises, broken bones, and injuries to muscles or internal organs.

Certificate of Practical Completion

The Certificate issued by the Builder / Developer or Stamford Insurance confirming the date of Practical Completion and any outstanding Defects.

Code Compliance Certificate

The Certificate issued by the local authority on the completion of the Dwelling.

Common Property

The shared areas of a building or development that are owned collectively by all the unit owners. This includes spaces like lobbies, hallways, and any recreational facilities. It's the parts of the property that are not part of any individual unit owner's private property.

Damage

The cost of:

- remedying the Defect; and
- remedying any physical damage to the Dwelling as a direct consequence of the Defect.

Defect

Any defect in the dwelling or in the Waterproof Envelope which is attributable to a defect in design, plan, specification, workmanship or materials which was undiscovered at the date of issue of the Certificate of Practical Completion.

Defects Insurance Period

The period commencing on the date of the Certificate of Practical Completion or Code Compliance Certificate (whichever is earlier) specified in the Final Certificate and ending 2 years after that date

Developer

The person, firm or company, who registers the Development and from whom the Policyholder acquires the Dwelling or who undertakes the work of building the dwelling for the Policyholder by way of a Contract.

Development

A Dwelling or group of Dwellings located at the site noted on the Initial Certificate. Development does not include any other building works other than the dwelling described in the Initial Certificate.

Dwelling

The newly built home, unit or renovated dwelling and any garage or other permanent out-buildings included in the Building Contract, comprising:

The Structure – which shall mean:

- Foundations
- Load-bearing parts of floors, staircases and associated guard rails, walls and roofs, together with load-bearing retaining walls necessary for the stability of the Structure
- Chimneys and flues
- The below-ground drainage system linking to the public system

The Waterproof Envelope – which shall mean:

- Ground floors
- External walls
- Roofs
- Skylights
- Windows
- Doors
- Any external finishing surface necessary for the water-tightness of the external envelope

Other Works – which shall mean:

- Floor decking and screeds, where these fail to support normal loads
- Fittings and fixtures

Dwelling does not include any:

- Swimming pool
- Temporary structure
- Household appliance
- Fence
- Garden or landscaping
- Retaining or boundary wall not forming part of or providing support to the Structure
- Any path or roadway not providing access for the disabled
- Patios or similar land improvements
- Main supply services
- Drains supplied by a public utility
- Septic tank systems
- Farms or solar
- Wind electrical generating systems
- And anything not included in the Building Contract

Excess

The Excess is the amount you must pay towards the cost of any claim you make. An excess applies to each separately identifiable cause of loss resulting in a claim. If the claim is in respect of Common Property the excess is the amount stated in the Final Certificate calculated as the excess per unit multiplied by the total number of units.

Final Certificate

The Certificate issued by Stamford Insurance after receiving the Code Compliance Certificate.

Initial Certificate

The Certificate issued by Stamford Insurance at the inception of the Policy signifying their agreement to provide cover for Insurance from the date of Practical Completion.

Limit of Liability

The limit of liability is the maximum amount the insurers will pay for all claims under this policy during the period of insurance. The limit is stated as the sum insured shown on the **Final certificate**.

Major Defect

Any **Defect** in the design, workmanship, materials, or components of:

- The Structure of the dwelling; or
- The Waterproof Envelope

and which:

- Affects or causes physical damage to the dwelling for which a Code Compliance Certificate has been issued
- Causes the need for immediate remedial action to prevent destruction or physical damage to the dwelling

A **Major Defect** is deemed to include any physical loss, destruction, or physical damage caused by sudden contamination or sudden pollution as a direct consequence of the design, workmanship, materials, or components of the Structure of the dwelling, subject at all times to the Debris Removal limitation.

Period of Insurance

The period specified in the Final Certificate for the Dwelling. The policy start date is the date of Practical Completion or issue of the Code Compliance Certificate, whichever is the earlier date.

Policyholder

The owner of the Dwelling, which is the subject of this Insurance, and any mortgagee or lessor whose interest is noted on the Initial Certificate or Final Certificate or a Body Corporate entity that represents all the unit owners within a unit titled property on the Policyholder's Land.

Policyholder's Land

The area of ground that surrounds and supports the Dwelling and which was purchased by the Policyholder with the Dwelling at the same time as the Building Contract was entered into or completed or that was owned by the Policyholder when a Building Contract was entered into.

The definition of Policyholder's Land also includes any land at the Development that the Policyholder has specific legal responsibility for as noted in the Building Contract.

Practical Completion

Is the date the Dwelling is finished, except for minor Defects or incomplete works that do not prevent you from living in your Dwelling.

Structural Insurance Period

The period specified in the Final Certificate for each Dwelling as being Years 3 to 10 following the Defects Insurance Period.

Sum Insured

The limit of liability is the maximum amount the insurers will pay for all claims under this policy during the period of insurance. The limit is stated as the sum insured shown on the **Final Certificate**.

Technical Inspection Service

The technical inspection of the works during construction to ensure that they are built following the consented plans approved by the consent authority and in accordance with the Building Code.

These technical inspections may be carried out by:

- The consent authority's inspectors
- A suitably qualified professional team approved by us and appointed by the Builder or Developer
- The party appointed by us at your expense (or the Builder's or Developer's expense), to provide such examination of plans, specifications, bills of quantities and other documentation concerning the works and such inspections as we and the Technical Inspection Service require

The Insurer, We, Us or Our

Underwriting members of SCOR Syndicate 2015 at Lloyds of London.

You and Your

The Policyholder.



What Your Responsibilities Are

Here is a list of what you must do.

1. You must provide us with all relevant information that may influence a prudent insurer's decision about this insurance or the terms and conditions of the policy.
2. You must act with good faith, provide full and accurate information, and answer all questions honestly and completely.
3. You must provide us with reasonable access to the dwelling for inspection and to undertake any works required. If permission is unreasonably withheld, you will be liable for any additional costs caused by the delay in carrying out those works.

Breaches of your Policy

If you do not comply with your obligations, this may affect your rights under your policy. If the breach is serious, we may decline any claim and may seek to recover any claims payment already made. We may also cancel or avoid this Policy. If we cancel, we will give you seven days' notice sent, emailed or posted to your last known address on our records. If we do this, we will refund your unused premium.

If we avoid your Policy, it will be treated as if it had never been taken out. You will have to refund any claims payments we have previously paid to you. If we do this, we will email or post notice of this decision to your last known address on our records. We will refund your entire premium paid less any claims already paid.

Recovering from other parties involved

We are entitled to take control and settle any claim and to take proceedings at our 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.



How To Make A Claim

Claim notification

In the event of a claim arising under this Insurance notice should be given as soon as possible to: **Stamford Insurance Limited** info@stamfordinsurance.co.nz **0800 927 0100** Please provide your full name, address, policy number and contact details.

What You need to do

You need to take all reasonable steps to minimise loss and damage to your dwelling.

What to do during the first two years

During the first two years of the Policy, the Policyholder should contact the Builder or Developer who built the dwelling and ask them to rectify any Defects. If they fail to rectify the Defect or do not respond within a reasonable time, please contact Stamford Insurance.

What to do during years 3-10

During the Structural Insurance Period, the Policyholder should notify Stamford Insurance of a possible claim.

If you have not notified Stamford Insurance of the defect within 60 days of becoming aware of it, this may affect your claim if the insurers have been prejudiced by the late notification.

If the Builder or we ask you to, you must:

- Allow access to your dwelling and your land during regular working hours to carry out investigations and work.
- Allow us to take full conduct of any proceedings on your behalf, and provide all information and assistance which we may reasonably require.
- Pay the excess stated in the Initial Certificate or Final Certificate for every separately identifiable cause of loss or damage.

We may ask you to carry out some initial investigations, such as:

- Send us photographs of the problem
- Send us a report about the problem, confirming its cause (for example, for a blocked drain, we may ask you to get a report from a drainage specialist).

If we accept your claim, we will refund your reasonable expenses of providing the report.

How we calculate what we have to pay

If we pay for a claim you make, we will calculate the amount we will pay based on the amount it will cost us to have the work done. However:

- We will not pay more than the sum insured.
- We will not pay to replace an undamaged item because it does not match a replacement item provided.
- We will not be responsible for costs resulting from your unreasonable delay in making a claim or from failure to observe any of the requirements in the "What you need to do" section above.
- The most we will pay during the Period of Insurance is the Limit of Liability.

What about shared or Common Property

The maximum we will pay for any claim relating to Common Parts will be the amount that you are legally liable for as joint owner

What if I received or withheld a payment

Should you withhold, retain or receive back any payment as part of a claim against the Developer or Builder we are entitled to deduct this amount from any payment to you.

What will Stamford Insurance do to fix a Defect

In the event of a claim, we have the option of either paying the cost of the repair, replacement or rectifying works or arranging to have the works carried out.



Cover We Provide After The Dwelling Is Completed

Cover For Any Defects During The Defects Insurance Period

If, during the first 2 years after Practical Completion, you discover any defect, the Developer or Builder have agreed with us to:

- Repair the damage or replace the required parts to rectify the damage as soon as is practical.
- Reimburse you for reasonable costs, including alternative accommodation if you or the occupants have to vacate the dwelling for health and safety reasons, directly associated with the damages or while the works are being carried out.

What happens if the Developer or Builder fails to repair the Defect or replace the required part/s to rectify the Defect?

If the Developer or Builder fails to repair or replace the required parts to rectify the defect within a reasonable time, please contact Stamford Insurance.

- We will contact the Builder as soon as we receive a report from you and track it to a satisfactory conclusion or ask you to lodge a formal claim.
- We will offer a free resolution service, and if the Developer or Builder still does not repair or replace the required parts to rectify the defect after the resolution service, you are covered under the Policy for the cost of repairing or replacing the defect.
- If the Developer or Builder has become bankrupt or has gone into receivership or liquidation, the policy provides cover for the cost of repairing or replacing the required parts to rectify the defect.

Our resolution service

Our resolution service is designed to help resolve disputes that may arise between you and your Developer/Builder about what work needs to be done by the Developer/Builder to comply with their responsibilities under the Building Act 2004, the MBIE Guide to Tolerances 2015 and any other subsequent or enabling legislation.

If you agree to us providing our resolution service, we will contact the Builder about the problems you reported to Stamford Insurance. If the Builder still does not resolve these problems to your satisfaction and you tell Stamford Insurance, we will investigate and then tell you and the Builder in a written resolution report what work, if any, the Builder must do to meet their responsibilities.

We may appoint an independent Building Surveyor to investigate and provide an independent report.

If you accept our findings, you must allow the Builder reasonable access to your Dwelling (on weekdays, during their normal working hours) to complete the required work.

If the Builder has not met their responsibilities under the Building Act 2004, a resolution report will confirm that they must undertake work to ensure they do so, but it will not describe the work in detail. If the Builder is unable to meet the timescales we set, they must let Stamford Insurance know, and we will consider whether we can give them more time.

Cover For Major Defects During The Structural Insurance Period

You are covered for the cost to repair or replace Defective elements that have been affected by a Major Defect first discovered and notified by You during the Structural Insurance Period.

What we will do

We will pay the cost of the remedial works or arrange to have the remedial works carried out, as long as the cost to us is above the Excess, provided always that the liability of the Underwriter does not exceed the cost of rebuilding each Dwelling to its original specification or the sum insured stated in the Final Certificate whichever is lower or, if we choose to, we will pay you what it would cost us to have the remedial work done.



Additional Benefits You Are Covered For Under The Policy

Additional benefits are inclusive of the sum insured stated on the Initial Certificate or Final Certificate.

Additional Costs

We will cover the additional costs and expenses that are necessarily incurred to comply with Building Regulations or a local authority or other statutory provisions, provided that we shall not be liable for any costs that would have been incurred irrespective of the Defect. We will pay up to 5% of the sum insured as stated on the Initial Certificate; this is inclusive of the sum insured stated on the Initial Certificate.

Alternative Accommodation

You or your tenants are covered for additional costs and expenses that are necessarily incurred for removal, storage and alternative accommodation while the Dwelling is uninhabitable due to a Defect or Major Defect while works are carried out up to a limit of \$25,000.

Fees

We will cover costs for Architects, Surveyors, Legal, Consulting Engineers and other professional fees that are necessarily incurred to complete the rectifying work to the Dwelling. Costs or fees incurred by You in preparing a claim are excluded. We will pay up to 5% of the sum insured as stated on the Initial Certificate. This is inclusive of the sum insured stated on the Initial Certificate.

Removal of Debris

All necessary costs incurred with our written approval for the demolition and removal of debris that formed part of the Dwelling. We will pay up to 5% of the sum insured as stated on the Initial Certificate. This is inclusive of the sum insured stated on the Initial Certificate.



What We do not Cover Under the Policy

There is no cover for the following under the Policy:

Additional exclusions

Adjustment of doors following fitting of carpets, floor coverings and flooring.

Alterations after the Final Certificate has been issued

Any loss or damage due to, or arising from, any alteration, modification or addition to the Dwelling after Practical Completion unless We have been informed and this policy has been endorsed, and any applicable additional premium has been paid to us.

Appliances

Inherent Defect to appliances or plumbing works not permanently attached, plumbed, or wired into the Dwelling.

Asbestos

It is agreed that this policy shall not apply:

- To any liability for property damage, personal injury, sickness, disease, occupational disease, disability, shock, death, mental anguish or mental injury at any time arising out of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibres, or asbestos dust.
- To any obligation of the Insured to indemnify any party because of damages arising out of such property damage, personal injury, sickness, disease, occupational disease, disability, shock, death, mental anguish or mental injury at any time as a result of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibres, or asbestos dust.
- To any obligation to defend any suit or claim against the Insured alleging personal injury or property damage and seeking damages, if such suit or claim arises from personal injury or property damage resulting from or contributed to by any and all manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibres, or asbestos dust.

Certificate Exclusion

Any matter notified to us by the Technical Inspection Service and referred to in the Final Certificate or recorded in the Certificate of Practical Completion until rectified and approved in writing by us.

Change in Colour & Aesthetics

Any change in colour, texture, efflorescence, opacity or staining or other ageing processes to any element of the Dwelling, including the inability to match new materials to existing, colours and finishes in remedial work.

Communicable Disease

This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently, and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense, or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.

- For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor, or test:
 - for a Communicable Disease, or
 - any property insured hereunder that is affected by such Communicable Disease.
- As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - the substance or agent includes, but is not limited to, a virus, bacterium, parasite, or other organism or any variation thereof, whether deemed living or not, and
 - the method of transmission, whether direct or indirect, includes but is not limited to: airborne transmission, bodily fluid transmission, transmission from or to any surface or object (solid, liquid, or gas), or between organisms, and
 - the disease, substance, or agent can cause or threaten damage to human health or human welfare, or can cause or threaten damage to, deterioration of, loss of value of, marketability of, or loss of use of property insured hereunder.

Contamination

Any pollution, mould, contamination or pathogen unless it is a direct result of a sudden Defect or Major Defect that is covered under the Policy.

Contractual disputes

Any contractual disputes between you and the Developer or Builder and any issue regarding the specification of items.

Covenants

Any breach of a covenant affecting the Policyholder's Land.

Deterioration or Wear and Tear

Wear and tear includes:

- Shrinkage, thermal movement (expansion and contraction as a result of temperature changes), and movement between different types of materials

- Minor cracking and crazing
- Scratching, chipping, staining, fading, efflorescence, changes in colour, opacity or texture, squeaking or creaking
- Abnormal use of the dwelling, the imposition of any load greater than that for which the dwelling was designed, or the use of the dwelling for any purpose 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
- The inability to match materials, colours, or finishes in remedial works or between remedial works and existing works when remediation is being or has been undertaken, including remediation undertaken as a result of a claim under this policy

Existing Damage

Any damage which was evident at the time you purchased the dwelling and which you did not notify and seek to get repaired at the beginning of the Defects Insurance Period.

Gradually Occurring Damage

Any gradual deterioration, unless that damage is a direct and sudden result of a Defect or Major Defect in the design, workmanship, materials, or components of the Dwelling.

- This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusions, and other coverage grant(s).

Humidity

Any dampness or condensation that are not a direct result of the ingress of water caused by a Defect or Major Defect in the design, workmanship, materials and components of the Dwelling.

Ingress of water

There is no cover for:

- Damage related to the ingress of water below ground floor slab level, and
- The ingress of water during the first 12 months following the date of Practical Completion for dwellings four storeys or more.

Landscaping

Damage to external landscaping or garden features.

Legal Liabilities

There is no cover for any legal liabilities that the Policyholder may have to other parties because of the use or ownership of the Dwelling, including contractual disputes, fines or penalties.

Non-Agreed Remedial Work

Any work to correct a Defect which is undertaken without Our consent, other than such work as is necessary to prevent further damage as prescribed in section "How to make a claim - What you need to do" of this policy.

Other Insurance

Where the loss or damage under this Policy is also covered by any other policies of insurance or indemnity agreements, we shall only provide cover over the amount which you are entitled to under the other indemnity agreements.

Personal Injury

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

Pets or Pests

There is no cover for any loss or damage caused by or arising from or involving the actions of vermin, rodents, possum, insect infestation.

Prior Knowledge

Any knowledge you have that would trigger a valid claim under the Policy but which you were aware of before purchasing the Dwelling.

Pre-existing Defect

If the Building Contract is for the modification or extension of an existing structure, We do not cover any pre-existing Defects in that structure. This exclusion shall not apply to damage to the existing Structure caused by a Defect in the works constructed or installed by the Builder under the Building Contract

Property Cyber and Data

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, this Policy excludes any:

- Cyber Loss
- Loss, damage, liability, claim, cost, or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration, or reproduction of any Data, including any amount pertaining to the value of such Data;
- regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss or Data, replaces that wording.

Definitions

Cyber Loss means any loss, damage, liability, claim, cost, or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with any Cyber Act or Cyber Incident, including but not limited to any action taken in controlling, preventing, suppressing, or remediating any Cyber Act or Cyber Incident.

- **Cyber Act** means an unauthorized, malicious, or criminal act or series of related unauthorized, malicious, or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of, or operation of any Computer System.
- **Cyber Incident means:**
 - Any error or omission or series of related errors or omissions involving access to, processing of, use of, or operation of any Computer System; or
 - Any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use, or operate any Computer System.
- **Computer System means:**
 - Any computer, hardware, software, communications system, electronic device (including, but not limited to, smartphone, laptop, tablet, wearable device), server, cloud, or microcontroller including any similar system or any configuration of the aforementioned, and including any associated input, output, data storage device, networking equipment, or backup facility, owned or operated by the Insured or any other party.
- **Data** means information, facts, concepts, code, or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted, or stored by a Computer System.

Radioactive Contamination, Chemical, Biological, BioChemical and Electromagnetic Weapons

- Ionising radiation from, or contamination by, radioactivity arising from any nuclear fuel, nuclear waste, or the combustion of nuclear fuel.
- The radioactive, toxic, explosive, or other contaminating properties of any nuclear installation, reactor, or other nuclear assembly or nuclear component thereof.
- Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction, or radioactive matter.
- The radioactive, toxic, explosive, or other hazardous or contaminating properties of any radioactive matter. (This exclusion does not apply 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.)
- Any chemical, biological, biochemical, or electromagnetic weapon.

Significant Variations

Variations to the Building Contract totalling more than 10% (ten per cent) of the Contract Price, unless expressly agreed by us, and subject to the payment of any additional premium.

Special Perils

Loss or damage caused by or arising from fire, lightning, explosion, typhoon, hurricane, cyclone, volcanic eruption, earthquake, storm, flood, hydrothermal activity, natural landslip, malicious persons, theft, attempted theft, impact, accidental cause, or appliance warranty.

Subsidence or Settlement, Drying out, Shrinkage

- Loss or damage caused by, or resulting from, the bedding down, shrinkage, or drying out of the Dwelling.
- Loss or damage caused by, or resulting from, subsidence, seepage, settlement, heave, or landslip, unless such loss or damage is due to a Defect or Major Defect in the design, workmanship, materials, or components of the Dwelling.

Third Parties

Damages payable to third parties, compensation or criminal expenses arising out of or in connection with contamination in, or under the Policyholder's Land.

Undamaged Parts

This policy does not cover the cost of replacing or changing undamaged items or parts of items forming part of the Housing Unit which belong to a set or suite, or which have a common design or use when the loss or damage relates to a specific part or part of an item or to a clearly defined area.

Unfinished Works

Loss or damage due to or arising from any unfinished building works which are completed after Practical Completion.

War Risks

Loss, damage, cost or expense resulting from war, invasion, rebellion, nuclear radiation, or expropriation, confiscation or nationalisation by or under the order of any Government, Public, or Local authority.

Water damage from planned ingress of water

There is no cover for damage resulting from the planned ingress of water into the internal Structure.

Wilful Acts

- Damage caused by any wilful neglect or criminal act by the Policyholder or any other party.
- Deterioration resulting from your neglect or failure to perform routine or specific maintenance.
- Damage or Defects in the design, workmanship, materials, or components of the dwelling that were not part of the original works.

Worldwide Terrorism Exclusion Clause

All loss, liability, damage, costs, expenses, or legal expenses of whatsoever nature directly or indirectly caused by, resulting from, or in any way connected with or arising out of any Act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss is entirely excluded. Act of Terrorism includes any act, or preparation in respect of action, including but not limited to the use of force or violence and/or the threat thereof, of any person(s) or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including but not limited to:

1. The intention to influence or affect the conduct of any government (de jure or de facto); and/or
2. Putting the public, or any section of the public, in fear; and/or
3. Committing or threatening violence against one or more persons (whether legal or natural); and/or
4. Damaging tangible or intangible property; and/or
5. Endangering life; and/or
6. Creating a risk to the health or safety of the public or any section of the public; and/or
7. Any act designed to interfere with or disrupt an electronic system.

This endorsement also excludes loss, liability, damage, cost, expenses, or legal expenses of any nature arising directly or indirectly from any action or decision by a government agency or other entity to prevent, control, respond to, terminate, or otherwise deal with actual or alleged Acts of Terrorism. This exclusion applies regardless of any other cause or event that may contribute concurrently or in any sequence to the loss, liability, or damage.

If the Insurer claims that any loss, liability, damage, cost, or expense is not covered due to this exclusion clause, the burden of proving otherwise rests with the Policyholder.

If any part of this endorsement is found to be invalid or unenforceable, the remainder shall continue in full force and effect.

Sanction Limitation Clause

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations' resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.



Helping You decide if it's a Defect

The entire Building Industry in New Zealand, including your Insurer, rely on the Government's MBIE Guide to Tolerances 2015 to help them decide what is, and what is not, a Defect.

You can find the Guide here:

[Guide to tolerances, materials and workmanship in new residential construction](#)

This short extract from the Guide may help you to decide if you have a Defect at your property.

What is not a Defect?

The building contractor cannot be held liable for an event that is not attributable to the building contractor, including:

- .. damage that occurs outside of human control – e.g. natural disaster
- .. damage done by a person outside of the building contractor's control
- .. damage resulting from a failure to undertake normal maintenance
- .. damage resulting from a failure to carry out repairs as soon as practicable after the Defect becomes apparent (section 362S).

Issues Emerging Over Time

Over time, buildings are subject to the weather, shaking from traffic, minor earthquakes and ground settlement. These result in gradual deterioration of materials (particularly exterior cladding and exterior timbers used in decking, fencing and pergolas etc.), and often development of non-structural cracks at joints and junctions in sheet materials (particularly internal wall and ceiling linings). Unless otherwise agreed in the contract, provided these remain within the tolerances found in relevant parts of this document, they are not considered Defects.

Occupant Activities

Misuse of a building by occupants can impact on and lead to early deterioration of some finishes and linings. Examples of this include:

- .. failing to ventilate spaces used for sleeping, cooking, bathing and drying clothes will generate large amounts of moisture which can lead to condensation and mould on walls and ceilings
- .. allowing water to sit on timber-based flooring such as parquet and strip flooring can lead to swelling and buckling of the flooring
- .. cracking/peeking and popping of plasterboard due to movement can be caused by excessive heating.

When caused by occupant activities, these are not considered workmanship or material Defects. Damage caused by occupants is not considered a Defect unless it is caused by an underlying Defect (e.g. a "drummy" floor tile that breaks due to insufficient adhesive bedding). In general, reasonable wear and tear or damage to a house resulting from occupant use or abuse is not considered a Defect. Damage caused by the actions of an owner or occupant (such as a cracked tile resulting from an item being dropped on it or damage from an overflowing bath or shower) are not a Defect that a building contractor is responsible for remedying

Maintenance Requirements

All buildings require on-going maintenance. This requirement should be expected and it is the responsibility of the building owner to ensure it is carried out in a timely manner. Normal maintenance is defined in the Building Code as work generally recognised as necessary to achieve the expected durability for a given building element

On completion of the building contract, the building contractor is required to provide the client with information about the processes and materials to be used to maintain any element of the building work where maintenance is required in order to meet the durability requirements of the Building Code and/or to ensure any applicable guarantee or warranty remains valid (section 362T). Failure to carry out this maintenance will limit the owner's ability to seek redress from the building contractor or product supplier if a Defect subsequently occurs.

Insurer Financial Strength Rating

The Insurer is

Underwriting members of SCOR Syndicate 2015 at Lloyds of London.

10 Lime Street, London, EC3M 7AA, UK.

Lloyd's has a financial strength rating of 'A+ Superior'. The rating is reviewed by AM Best on an annual basis, with the rating scale outlined below.

The AM Best Company financial strength rating scale is:

A++, A+ (Superior)	A, A- (Excellent)
B++, B+ (Good)	B, B- (Fair)
C++, C+ (Marginal)	C, C- (Weak)
D (Poor)	E (Under Regulatory Supervision)

For more information, please visit [AM Best Ratings](https://www.ambest.com).