

SECTION 3.2 OF THE PREMIER GUARANTEE FOR NEW HOMES POLICY EXPLAINED

This part of the cover only applies if the **Developer** fails to meet his obligations under section 3.2 of the **Premier Guarantee for New Homes** policy.

The **Defects Insurance Period** lasts for two years from the date shown on your **Certificate of Insurance**.

During this period the **Developer** will be responsible for:

- Any **Defect** or **Major Damage** to your **Housing Unit** or its **Common Parts** which are notified to the **Developer** during the **Defects Insurance Period** and which is notified to the **Underwriter** up to six months thereafter. This is to be carried out within a reasonable timescale and at the **Developers** own expense.
- Any reasonable costs you may incur, by prior agreement with the **Developer**, for removal, storage and appropriate alternative accommodation if it is necessary for you or anyone normally living in the **Housing Unit** to move out so that work can be done.

The **Developer** remains liable even after the **Defects Insurance Period** has expired provided that notice of a **Defect** or **Major Damage** was given during this period or up to six months thereafter.

The **Premier Guarantee for New Homes** will meet the cost of a claim within the Financial Limits for:

- Any arbitration award or court judgement which you obtain against the **Developer** relating to obligations under the **Defects Insurance Period** which he has failed to honour.
- The cost of any work contained in a **Conciliation Service** report which is accepted by you and which the **Developer** does not complete or arrange to complete within the time set.
- If the **Developer** is insolvent, the cost of any work he would have otherwise have been liable for under the **Defects Insurance period**.

WHAT YOU MUST DO IF YOU THINK THERE IS A PROBLEM WITH YOUR HOUSING UNIT:

1. It is important to inspect your **Housing Unit** before and after you move in. The **Developer** is responsible for investigating your complaints and for remedying any **Defect** or **Major Damage**.
2. Contact the **Developer** informing him of any items requiring attention as soon as you discover them. You should keep copies of any correspondence or any other information, such as notes of telephone conversations, as these may be needed later to prove that problems were notified during the **Defects Insurance Period**.
3. Inform us if the **Developer** is insolvent and give us the opportunity to inspect your **Housing Unit** if required.
4. If we ask for them, send us copies of any correspondence, contracts, plans, quotations, receipts or other documents or information relating to your **Housing Unit**.

If after notifying the **Developer** no response is received in a reasonable time, please notify us and we will write to them on your behalf pointing out their responsibilities under this section of the policy. It is difficult to stipulate what we regard as a reasonable time as this will vary with the circumstances of each complaint. We would however expect you to follow up your original complaint to the **Developer** with letters and telephone reminders, all of which should be documented. The **Developer** should also be given adequate time in which to respond to your complaint and any reminders that you send him.

Please remember that the **Developer** is not responsible for items such as normal shrinkage or normal condensation due to the property drying out, adjustment of doors following the fitting of carpets, general wear and tear and damage arising from failure to maintain the property.

PREMIER GUARANTEE FOR NEW HOMES – CONCILIATION SERVICE

If the **Developer** fails to rectify the problem, **Premier Guarantee for New Homes** will usually offer a **Conciliation Service**, which aims to resolve disputes between you and the **Developer**. If you wish to invoke this service you must formally write to us requesting the service.

The **Conciliation Service** will appoint a building surveyor who will attempt to bring the two parties together, investigate the dispute and make recommendations based on their technical expertise and experience. If the **Developer** does not carry out the work within the time stipulated by the **Conciliation Service** we will arrange for the work specified in the surveyor's report to be carried out or meet the reasonable costs of carrying out the work.

The **Conciliation Service** will not be suitable for all disputes. The surveyor is only qualified to advise upon technical issues and in particular whether the **Developer** has complied with the functional requirements in the **Premier Guarantee for New Homes Technical Manual**. The surveyor is not qualified to advise on financial disputes, contractual issues or items that do not involve a breach of the functional requirements of the **Technical Manual**.

WHAT ARE THE OPTIONS PROVIDED BY THE CONCILIATION SERVICE?

The building surveyor acting on behalf of the **Conciliation Service** will issue a report. There will be a number of possible alternative resolutions following issue of this report. These are:

- i) that both you and the **Developer** accept the report's findings and if any works are necessary the **Developer** carries them out within an agreed period of time.
- ii) that both you and the **Developer** accept the report's findings but the **Developer** fails to carry out any necessary works within an agreed period of time. In such circumstances you should advise the **Scheme Administrator** who will attempt to ensure that the works are carried out.
- iii) one or both parties do not accept the report's findings. If this is the case, either party shall be entitled to refer the matter to a different dispute resolution forum.

The **Premier Guarantee for New Homes** does not charge for the Conciliation Service.

NOTE:

Items in bold in this note are policy definitions. You should refer to the **Premier Guarantee for New Homes** policy for their precise meaning.