



H o u s e a n d H o m e C o v e r

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This is your House and Home Cover booklet

It contains a copy of the Policy issued to and held by the Hanley Economic Building Society in respect of the buildings of your Home and your Personal Possessions.

It explains in detail the insurance protection which has been specially arranged with CGU Insurance for the benefit of the Hanley Economic Building Society borrowers.

Please read it carefully and make sure you understand your cover

If you require assistance or an explanation of any point please contact your nearest Hanley Economic Building Society office or the Society's Mortgage Department at the Hanley Economic Building Society, Granville House, Festival Park, Hanley, Stoke on Trent ST4 5TB.

Contract of Insurance

The Policy is a contract between the Policyholder and the Insurer.

The Insurer will provide cover as described in the Policy, and any endorsement, against loss, damage or legal liability which may occur during any period for which we have accepted a premium.

Basis of Cover

Standard Cover is provided by items 1-14 and 16-35 inclusive.

Wider Cover is provided by sections 1-35 inclusive.

Important

Please make sure you notify the Society in writing if

- anything happens to change the use or nature of Your Home
- you do anything which may affect its Rebuilding Cost – for example, extending the property, installing central heating or double glazing
- you leave Your Home Unoccupied for more than 30 days – the Society will let you know any special conditions which apply to your insurance while you are away

The Amount Insured for buildings is Index-Linked, but you must ensure that at all times the amount insured represents the full Rebuilding Cost of Your Home.

This cover applies only to the fully completed properties.

Definitions

Certain words or phrases have the same meaning wherever they are used in the Policy. Those meanings are given here.

The Policyholder/You

The Hanley Economic Building Society and any person or persons named as mortgagor(s) and listed in the Society's Insurance Records as being insured by this Policy.

We/Us /The Insurer/CGU/CGU Insurance

CGU Insurance plc

Policy

The Master policy issued by the Insurer and held by the Hanley Economic Building Society.

Other Interests

The interest of any freeholder, lessor, mortgagor (other than the policyholder) or other person or party listed in the Society's Insurance Records.

Society's Insurance Records

The details kept and maintained by the Society for each home insured under this Policy.

Your Household

You, members of your family living permanently with you and your domestic employees.

Schedule

The Schedule forms part of this policy and can be found inside the back cover. The Schedule provides details of the Policyholder, the Period of Insurance, the property insured and any Endorsements applicable.

Endorsement

A variation to the terms of the Policy.

Excess

The first part of any claim which the Policyholder has to pay.

The Society

The Hanley Economic Building Society.

United Kingdom

Great Britain (i.e. England, Scotland, Wales, the Isle of Man, the Channel Islands) and Northern Ireland.

Dwelling

The private house or self contained flat at the address shown in the Society's Insurance Records **not including** fixtures and fittings, outbuildings, garages, greenhouses, swimming pools, hard tennis courts, terraces, patios, driveways, footpaths, walls, gates, hedges and fences nor any other part of the residence.

Unless described differently by endorsement, the Dwelling is built of brick, stone or concrete and roofed with slate, tile, asphalt, metal or concrete.

Your Home/Buildings

The Dwelling and fixtures and fittings, outbuildings, garages and greenhouses, all designed and used for domestic purposes only, swimming pools, hard tennis courts, terraces, patios, driveways, footpaths, walls, gates, hedges and fences all within the same site at the address shown in the Society's Insurance Records.

Motor Vehicle

Any electrically or mechanically power driven or power assisted vehicle **but not**

- 1) pedestrian controlled toys or models
- 2) pedestrian controlled golf trolleys
- 3) motorised garden equipment

Money

Personal money held for private purposes comprising

- a) current coin or banknotes, cheques, travellers cheques
- b) postal or money orders, current postage stamps
- c) National Savings stamps or certificates, Premium Bonds
- d) luncheon vouchers, record and similar tokens, travel tickets
- e) petrol coupons, trading stamps.

Period of Insurance

The period shown in the Society's Insurance Records and any further period for which we accept the premium.

Amount Insured

The amount insured, together with any adjustments for index-linking, is the maximum amount payable (subject to any specific limits detailed in the policy booklet) for all claims arising out of any one incident.

The amount insured for buildings must be adequate to rebuild your buildings as new including the cost of professional fees, site clearance costs and statutory costs. The amount insured will continue in full following payment of any claim.

Index-Linked

The amount insured is linked to the Housing Cost Index published by the Building Cost Information Service of the Royal Institution of Chartered Surveyors and will be adjusted automatically each month in line with movements of this index.

These adjustments will continue after insured loss or damage has occurred provided that:

- a) the amount insured was adequate at the time of loss or damage and
- b) you take all reasonable steps to ensure that rebuilding or repair is completed without unnecessary delay.

During each period of insurance, no additional premium will be charged for any monthly increases in the amount insured. At each renewal however, the Society will notify you of the updated amount insured and the corresponding premium for the following period of insurance.

NOTE – Any specific limits detailed in the policy booklet will not be index-linked.

Rebuilding Cost

The full cost of rebuilding all the buildings in the same form, size, style and condition as when new including the cost of complying with local authority and other statutory requirements, fees and associated costs.

Rebuilding Cost Guarantee

A basis of settlement of claims under which, for eligible cases, the Insurer guarantees to pay the cost of repair or replacement work without imposing any reduction or limitation solely by reason of an inadequate amount insured.

Contents

What

Items of furniture, furnishings, household appliances and equipment, carpets, pictures, clothing (excluding furs), linen, personal effects, radio, television, video, recording, audio and home computer equipment and all tapes, disks and record discs associated with any of these items **but not**

- a) jewellery, valuables and personal possessions as defined overleaf
- b) motor vehicles, boats, caravans, trailers, aircraft, gliders, and accessories belonging to any of these, (other than models)
- c) pets and livestock
- d) any property more specifically insured by this or any other policy
- e) securities, certificates or documents of any kind except those defined at 'Money'
- f) property owned or used for business purposes or in connection with any employment
- g) contact lenses.
- h) data, information or computer programs which have been created by or specifically for members of your household.

Whose

belonging to

- a) you or for which you are legally responsible (but only to the extent of your financial liability to the owner)
- b) members of your family living permanently with you
- c) your domestic employees.

Where and When

- a) in your home or in the open within its boundaries during the whole period of insurance
- b) temporarily away from your home but still in the United Kingdom, the Republic of Ireland or the Continent of Europe – see item 23

but not

- 1) while in a furniture store, saleroom or exhibition

- 2) during seizure, confiscation or attempts at either of these by Customs or other Authorities.

Jewellery, Valuables and Personal Possessions

What

Items of gold or other precious metals, jewellery, watches, furs, photographic equipment, portable audio and video equipment, works of art, binoculars, personal adornments, portable musical instruments, sporting guns, sets of stamps or coins and sports equipment

but not

- a) motor vehicles, boats, caravans, trailers, aircraft, gliders, and accessories belonging to any of these, (other than models)
- b) pets and livestock
- c) any property more specifically insured by this or any other policy
- d) securities, certificates or documents of any kind except those defined as money
- e) property owned or used for business purposes or in connection with any employment
- f) contact lenses.
- g) data, information or computer programs which have been created by or specifically for members of your household.

Whose

Belonging to

- a) you or for which you are legally responsible (but only to the extent of your financial liability to the owner)
- b) members of your family living permanently with you.

Where and When

- a) in your home during the whole period of insurance
- b) anywhere away from your home in the United Kingdom, the Republic of Ireland, the Continent of Europe
- c) elsewhere in the rest of the world for a maximum of 30 consecutive days

but not

- 1) while in a furniture store, saleroom or exhibition
- 2) during seizure, confiscation or attempts at either of these by Customs or other Authorities.

Unoccupied

Any period exceeding 30 consecutive days during which the Dwelling is not being lived in by you or any member of your household.

Unfurnished

Any period exceeding 30 consecutive days during which the Dwelling is insufficiently furnished for full habitation.

General Exclusions

The following exclusions apply to your policy as a whole.

(1) War and Similar Risks

This policy does not insure

a) War

any consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributing cause or event

war, invasion, act of foreign enemy, hostilities or a warlike operation or operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power.

b) Terrorism

harm or damage to life or to property (or the threat of such harm or damage) by nuclear and/or chemical and/or biological and/or radiological means resulting directly or indirectly from or in connection with Terrorism regardless of any other contributing cause or event.

Terrorism is defined as any act or acts including but not limited to

(i) the use or threat of force and/or violence and/or

(ii) harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological means

caused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political, religious, ideological or similar purposes.

c) any action taken in controlling, preventing, suppressing or in any way relating to (a) or (b) above.

(2) Sonic Booms

This policy does not insure

damage caused by pressure waves from aircraft and other aerial devices travelling at sonic or supersonic speeds.

(3) Radioactive Contamination

This policy does not insure

a) loss or damage to any property, or any resulting loss or expense or any consequential loss

- b) any legal liability directly or indirectly caused by, or contributed to, by, or arising from
 - i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component of such assembly.

- 4) **Riot or Civil Commotion**
This policy does not insure
loss or damage directly or indirectly caused by, or contributed to, by, or arising from riot or civil commotion outside the United Kingdom.

- (5) **Seizure or Confiscation**
This policy does not insure
loss or damage to any property caused during seizure or confiscation or attempts at either of these by Customs or other Authorities.

- (6) **Computer Software and Data**
This policy does not insure
loss or corruption of computer software or data caused by computer viruses or where no adequate back-up copies have been kept

- (7) **Other Exclusions**
This policy does not insure
 - a) loss or damage to extensions (including contents therein) or major improvements to the Home/Buildings carried out after commencement of this policy, unless full details have been notified to the Society.
 - b) loss or damage to any property caused by
 - i) wear and tear, depreciation or normal deterioration
 - ii) faulty workmanship, defective design or the use of defective materials
 - iii) diminution in value following repair, replacement or reinstatement
 - iv) wilful acts by you or your household or any person occupying the premises with your permission.
 - c) loss or damage arising from, or consisting of, the failure or inability of any equipment or any computer program to recognise or correctly interpret or process any date as the true or correct date, or to continue to function correctly beyond that date. This shall not include any resulting loss or damage otherwise insured by this policy.

General Conditions

The following conditions apply to your policy as a whole.

(1) Notifying a claim

a) What you must do

You must tell us in writing as soon as possible after any loss, damage or accident. You must also tell us if you know of any writ, summons or impending prosecution. Every communication relating to a claim must be sent to us without delay.

b) Do not negotiate

You, or any other person insured under this policy, or anyone else acting on your or their behalf, must not negotiate, admit or repudiate any claim without our written consent.

c) Tell the police

You must tell the police about all incidents of theft, attempted theft or vandalism, or loss, damage or injury caused by malicious persons.

(2) We are entitled to

a) take over and conduct in your name, or in the name of any other person insured by this policy, the defence or settlement of any legal action

b) take proceedings at our own expense and for our own benefit, but in your name, or in the name of any other person insured by this policy, to recover any payment we have made under this policy to anyone else

c) receive all necessary information and assistance from you and any other person insured by this policy.

(3) Your duty of care

You and Your Household must undertake to maintain your property in a good state of repair and take all reasonable steps to prevent injury, loss or damage.

(4) Salvage

We may enter any building where loss or damage has occurred and deal with any salvage in a reasonable manner. However, no property may be abandoned to Us.

(5) Other Insurances

If at the time of any incident which results in a claim under this policy, there is any other insurance covering the same loss, damage or liability, We will pay only our rateable share.

(6) Disagreement over amount of claim

Where a claim has been accepted but there is disagreement over the

amount to be paid, the matter may be referred to an arbitrator appointed in accordance with current statutory provisions. When this happens, an award must be made before proceedings are started against Us.

(7) Extensions and Improvements

You must inform the Society of any extensions or improvements to your home during the Period of Insurance. Failure to do so may invalidate your policy or may result in your policy not operating fully. We reserve the right to alter the terms of your policy immediately. We are notified of any such changes.

(8) Notifying a change

You must notify Us as soon as possible of any change in the information given to us which is relevant to this policy. Failure to do so may invalidate your policy or may result in your policy not operating fully. We reserve the right to alter the terms of your policy at any time should We become aware of any fact which may affect the cover provided by your policy.

(9) Adequacy of Amounts Insured

You must ensure that the amounts insured are maintained at an adequate level at all times.

The amount insured for buildings should be sufficient to rebuild your home as new, including the cost of professional fees, clearance costs and statutory costs.

(10) Cancellation

You may cancel the policy by giving the Society written notification, in which case, you may be entitled to a pro rata refund of premium for any unexpired period of insurance.

We may cancel the policy by giving 30 days' notice by recorded delivery letter to the address shown on your latest Schedule in which case You may be entitled to receive a pro rata refund of premium for any unexpired Period of Insurance.

Cover

Your policy insures loss or damage caused by the following

(1) Fire and Explosion

Your policy does not insure
the first £50 of each incident.

(2) Smoke

Your policy does not insure
a) the first £50 of each incident

- b) loss or damage caused by agricultural or industrial operations
- c) loss or damage caused by any gradually operating cause.

(3) **Theft or Attempted Theft**

Your policy does not insure

- a) the first £50 of each incident
- b) loss or damage if the Dwelling is Unfurnished or Unoccupied
– see item 19
- c) loss or damage while the building or any part of it is lent, let or sub-let
unless accompanied by forcible or violent entry.
- d) loss or damage caused by deception, unless this was only used to gain
access to your property.

(4) **Storm or Flood**

Your policy does not insure

- a) the first £50 of each incident
- b) loss or damage to gates, hedges or fences by storm
- c) loss or damage caused by subsidence, heave or landslip – but see item 5
- d) loss or damage caused by frost – but see item 15

(5) **Subsidence, Heave or Landslip**

Subsidence or heave of the site on which the buildings stand, or landslip.

Your policy does not insure

- a) the first £1000 of each incident
- b) loss or damage caused by
 - i) coastal or river erosion
 - ii) inadequate construction of foundations
 - iii) demolition, construction, structural alteration or structural repair
- c) loss or damage to swimming pools, hard tennis courts, terraces, patios,
driveways, footpaths, walls, gates, hedges and fences, unless the
Dwelling is damaged at the same time and by the same cause
- d) damage to, or resulting from, the movement of solid floor slabs unless
the foundations beneath the exterior walls of the Dwelling are damaged
at the same time and by the same cause
- e) loss or damage caused by settlement, shrinkage or expansion.
- f) loss or damage caused by the action of chemicals or the reaction of
chemicals with any materials which form part of the buildings.

(6) **Lightning and Thunderbolt**

Your policy does not insure

the first £50 of each incident.

(7) **Earthquake**

Your policy does not insure

the first £50 of each incident.

(8) Falling Trees or Branches

Your policy does not insure

the first £50 of each incident

(9) Bursting or Leaking

Water escaping from, or freezing of, water tanks, pipes or apparatus or water escaping from a fixed heating installation including damage to any fixed domestic water or heating installation caused by its own bursting or collapse.

Your policy does not insure

- a) the first £50 of each incident
- b) loss or damage caused by subsidence, heave or landslip
- c) loss or damage if the Dwelling is Unfurnished or Unoccupied
– see item 19.

(10) Escape of Oil

Escape of oil from any fixed heating installation, pipes or apparatus including damage to any fixed heating installation caused by its own bursting or collapse.

Your policy does not insure

- a) the first £50 of each incident
- b) loss or damage if the Dwelling is Unfurnished or Unoccupied – see item 19.

(11) Civil Disturbance

Riot, civil commotion, labour and political disturbances, vandalism and acts of malicious persons.

Your policy does not insure

- a) the first £50 of each incident
- b) loss or damage if the Dwelling is Unfurnished or Unoccupied – see item 19
- c) loss or damage caused by persons lawfully on the premises.

(12) Impact

Impact with your buildings by any vehicle, train or animal.

Your policy does not insure

- a) the first £50 of each incident
- b) loss or damage caused by insects, birds or domestic pets.

(13) Aircraft

Aircraft and other aerial devices or articles dropped from them.

Your policy does not insure
the first £50 of each incident.

(14) Television Aerials

Breakage or collapse of television and radio aerials, satellite dish aerials, aerial fittings and masts.

Your policy does not insure
a) the first £50 of each incident

(15) Accidental Loss or Damage

This section applies only if you have chosen it Your Schedule will state whether cover applies to Buildings, Contents or both.

i) Frost

Your policy does not insure
a) the first £50 of each incident
b) loss or damage to swimming pools, hard tennis courts, terraces, patios, driveways, footpaths, garden walls and hedges.

ii) All other Accidental Loss or Damage

Your policy does not insure
a) the first £50 of each incident
b) the cost of maintenance and normal redecoration, or repairing or replacing electrical or mechanical equipment following breakdown or misuse
c) loss or damage by atmospheric or climatic conditions, wet or dry rot, vermin, insects, mildew, fungus or any process of cleaning, repair or alteration.
d) any loss or damage specifically excluded elsewhere in this policy.
e) loss or damage while your home or any part of it is lent, let or sub-let
f) contact lenses.

(16) Insurance for Underground Services

We will pay the cost of repairing accidental breakage of drain inspection covers, underground service pipes, sewage tanks and cables for which You are legally responsible.

This policy does not insure
a) the first £50 of each incident
b) any costs incurred in clearing a blockage which has not directly resulted in damage to the service pipe itself
c) any damage caused to service pipes or cables whilst clearing or attempting to clear a blockage.

(17) Insurance for Glass, Sanitary Fixtures and Mirrors

We will pay the cost of replacing

- a) fixed glass (including double glazing) in windows, doors, fan lights and sky-lights, including the cost of boarding up if necessary
- b) washbasins, splashbacks, pedestals, baths, sinks, bidets, lavatory cisterns, lavatory pans, shower trays and shower screens
- c) mirrors, plate glass tops to furniture, fixed glass in furniture and ceramic hobs following accidental damage

This policy does not insure

- a) the first £50 of each incident
- b) loss or damage if the Dwelling is Unfurnished or Unoccupied – see item 19.

(18) Cost of Alternative Accommodation – Loss of Rent

While the Dwelling remains uninhabitable as a result of loss or damage insured by this policy, we will pay for

- a) the cost of reasonable alternative accommodation if this is necessary
- b) loss of rent due to you
- c) a maximum of two years' Ground Rent if you are liable.

The total amount payable shall not exceed 20% of the amount insured.

(19) When the Dwelling is Unfurnished or Unoccupied

The Dwelling is fully insured for up to 30 consecutive days from the day it becomes Unfurnished or Unoccupied.

After 30 consecutive days, this policy does not insure

- a) breakage of or damage to fixed glass and sanitary fixtures
- b) loss or damage, other than by fire or explosion, caused by theft or attempted theft, vandalism or acts of malicious persons
- c) damage caused by bursting, leaking or overflowing of water tanks, pipes or apparatus
- d) damage caused by leakage of oil from any fixed heating installation, pipes or apparatus.

(20) Insurance when Your Home is being sold

When You have agreed to sell Your Home, the buyer will have the benefit of this insurance until completion of the sale.

Your rights and liabilities, and those of the Insurer, will not be affected by the insurance provided under this policy.

This section does not apply

if the buildings are insured under any other policy.

(21) Professional Fees and other Costs

Professional Fees

We will pay architects' fees, surveyors' fees, legal fees and any other fees

necessary to rebuild, replace or repair your buildings after loss or damage insured by this policy.

Clearance Costs

We will pay the cost of removing debris, dismantling, demolishing, shoring-up or propping-up your buildings after loss or damage which is insured by this policy. You must obtain our consent before any work of this kind commences unless immediate action is required in the interests of safety.

(22) Statutory Costs

We will pay the cost of complying with building and government regulations and local authority bye-laws after loss or damage which is insured by this policy.

This section does not insure

- a) any fees incurred in your preparation of a claim
- b) costs of complying with government or local authority requirements if notice of these requirements has been served on you before the loss or damage
- c) costs which relate to undamaged parts of your home.

(23) Contents away from the Home

When your contents are temporarily away from your home but still in the United Kingdom, the Republic of Ireland or the Continent of Europe, they are insured against

- a) loss or damage (except by storm or flood, theft or attempted theft) as described in items 1 to 15
- b) theft from a bank or any building in which You or a member of your family is living or employed
- c) theft or attempted theft from any other building if the theft is accompanied by violent or forcible entry
- d) storm or flood except to items not in a building
- e) theft of or damage to property, up to a total of £500, whilst in an unattended road vehicle provided the property is concealed in a locked luggage compartment and all windows and sunroofs are securely closed and all doors are locked

(24) Household Removal

We will pay for accidental loss or damage to the contents in the course of removal by professional removal contractors between Your Home and your new permanent residence within the United Kingdom.

This section does not insure

- a) the first £50 of each incident
- b) cracking, scratching or breaking of china, glass, earthenware and other items of a brittle nature

- c) loss or damage to contents in storage away from the removal vehicle.

(25) External Door Lock

We will pay for the replacement and installation cost of new external door locks for Your Home following theft of external door keys, but excluding such cost if more specifically insured.

(26) Jewellery, Valuables and Personal Possessions

Cover for your high risk items as defined in items 1 to 15

- a) for up to 15% of the total Amount Insured (up to a maximum of £12,000) whilst within Your Home
- b) for up to 5% of the total Amount Insured (up to a maximum of £4,000) whilst away from Your Home
 - i) in the United Kingdom, the Republic of Ireland, the Continent of Europe
 - ii) anywhere in the rest of the world for up to 30 consecutive days.

This section does not insure

- a) the first £50 of each incident
- b) amounts in excess of £2,000 for any one item, set or collection
- c) breakage of racquets or strings in the course of play
- d) any loss or damage specifically insured or excluded elsewhere in the policy
- e) the cost of repairing or replacing electrical or mechanical equipment following breakdown or misuse
- f) loss or damage caused by vermin, insects, mildew or any process of cleaning, repair or alteration.

(27) Home Entertainment Equipment

We will pay the cost of replacing televisions, radios, recording and audio/video equipment and home computers following accidental damage.

This section does not insure

- a) the first £50 of each incident
- b) any loss or damage to items designed to be portable (other than home computers and televisions)
- c) tapes, cassettes, disks or record discs of any kind
- d) any loss or damage specifically insured or excluded elsewhere in the policy
- e) the cost of repairing or replacing electrical or mechanical equipment following breakdown or misuse
- f) loss or damage caused by vermin, insects, mildew or any process of cleaning, repair or alteration.

(28) Money

We will pay up to £500 for accidental loss or damage to personal Money.

This section does not insure

- a) the first £50 of each incident
- b) money held for business purposes
- c) shortages due to error or omission.

(29) Credit, Debit, Charge, Cheque and Cash Cards

We will pay up to £500 for sums which you become legally liable to pay under the terms of any credit, debit, charge, cheque or cash card following its loss and subsequent fraudulent use anywhere in the United Kingdom, the Republic of Ireland or the Continent of Europe.

This section does not insure

- a) the first £50 of each incident
- b) losses resulting from a lost or stolen card which you have failed to report to the police and issuing authority as soon as possible after the discovery of the loss
- c) losses if the card conditions have not been complied with
- d) losses following fraudulent use by any person related to you.

(30) Freezer Contents

We will pay the cost of replacing the contents of your domestic deep freezer and refrigerator, if they are spoiled by

- a) the accidental failure of the freezing unit
- b) refrigerant fumes
- c) accidental failure of the electricity or gas supply not caused by the deliberate act of the supply authority.

This section does not insure

the first £50 of each incident

(31) Pedal Cycles

We will pay to replace or repair your pedal cycle and accessories, if they are accidentally lost, damaged or stolen.

This section does not insure

- a) the first £50 of each incident
- b) theft of any pedal cycle left both unlocked and unattended away from your home
- c) the cost of replacing or repairing electrical or mechanical equipment following breakdown or misuse
- d) loss or damage caused by vermin, insects, mildew, wear and tear, normal deterioration or any process of cleaning, repair or alteration

(32) Fatal Accident

We will pay £1,000 if You or your spouse suffers injury which proves fatal within 30 days as a result of

- a) an accident, assault or fire, in your home
- b) an accident while travelling as a fare-paying passenger by train, bus or licensed taxi
- c) assault in the street.

This section does not apply

- a) outside the United Kingdom
- b) to any injured person over 70 years of age at the time of the accident.

(33) Owners, Occupiers and Personal Liabilities

Your liability as the owner of your present home.

We will insure You, as owner, for all sums which you become legally liable to pay for accidents happening in and around your home which result in

- a) bodily injury or illness of any person, other than your employees
- b) loss of or damage to property.

... and for homes you have previously owned

We will also insure your liability under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975, as owner of any previous home which you occupied at the time of sale or disposal, for accidents happening in and around that home which result in

- a) bodily injury or illness of any person, other than your employees
- b) loss of or damage to property.

This 'Defective Premises Act' insurance will continue for a period of seven years from the date this policy expires or is cancelled. However, this insurance will not apply if your liability is covered under a more recently effected or current policy.

Your liability as the occupier of your home

We will insure You, as occupier, for all sums which you become legally liable to pay for accidents happening in and around your home which result in

- a) bodily injury or illness of any person, other than your employees
- b) loss of or damage to property.

Your liability in a personal capacity

We will insure You for all sums which you become personally legally liable to pay for other accidents not connected with the ownership or occupation of your home which result in

- a) bodily injury or illness of any person, other than your employees
- b) loss of or damage to property.

We will also insure, in the same way as you are insured, each member of your family living permanently with You for all sums which they become

personally legally liable to pay for accidents happening in, around and away from, your home.

This section of your policy does not insure

loss of or damage to property which belongs to or is in the care of

- a) Your Household
- b) any other person living permanently with You
- c) any person employed by You or any member of Your Household

Limit of amount payable for all the liabilities described

The total amount payable will be limited to £1,000,000 for all claims made against You and/or any member of Your Household arising from any one occurrence.

We will also pay any extra costs and expenses awarded against Your Household or incurred by Your Household with our written consent.

Your policy does not insure

- a) liability arising from the ownership or occupation of any land or buildings other than
 - i) Your Home
 - ii) any private residence temporarily occupied by, but not owned by, You or a member of your family living permanently with You, for residential purposes
 - iii) any previous home which you occupied immediately prior to its disposal or sale and for which you may be liable under the Defective Premises Act 1972 or the Defective Premises (Northern Ireland) Order 1975
- b) liability arising from your trade, profession or employment or that of any member of Your Household other than as owner of the buildings
- c) liability arising from the ownership, possession or use of
 - i) animals. However, this does not apply to domestic dogs, (except those of a type falling within Section 1(1) of the Dangerous Dogs Act 1991 or any amending legislation), domestic cats, or to horses used for private hacking or private hunting
 - ii) firearms. However, this does not apply to shotguns or airguns which may be legally owned without possession of a firearms certificate
 - iii) Motor Vehicles and motor assisted pedal cycles
 - iv) aircraft or watercraft which are mechanically propelled. However this exception does not apply to toys or models
- d) liability arising directly or indirectly from the transmission of any communicable disease or virus by Your Household
- e) liability arising from any agreement or contract unless liability would have existed otherwise.

(34) Domestic Employee Liabilities

Your liability to your domestic employees.

We will insure You for all sums which you become legally liable to pay following accidental bodily injury or illness of any person in your domestic employment.

We will also insure, in the same way as You are insured, any member of your family living permanently with You who employs domestic help.

Limit of amount payable

The total amount payable will be limited to £10,000,000. for all claims made against You and/or member of Your Household arising from any one occurrence. We will also pay any extra costs and expenses awarded against Your Household or incurred by Your Household with our written consent.

(35) Insurance for Irrecoverable Court Awards

We will pay all sums which Your Household has been awarded in a United Kingdom Court and which have not been paid to Your Household within three months of the date of the award.

We will only make this payment if item 33 of this policy would have insured Your Household had the award been made against Your Household rather than in Your Household's favour.

This section will not apply

- a) when the incident which prompted the court proceedings occurred outside the period of insurance
- b) if there is an appeal pending.

Limit of amount payable

The total amount payable under this section of your policy will be limited to £1,000,000 for any number of claims arising from one incident.

We will also pay any extra costs and expenses incurred after the date of judgement, provided Your Household has our written consent.

REBUILDING COST GUARANTEE

To qualify for the Rebuilding Cost Guarantee, the following criteria must be met:

- a) the Home must be a house, not a flat or maisonette
- b) the Amount Insured must be based on a professional insurance valuation by a surveyor or valuer dated on or after 1st January 1981. The Amount Insured must be set at an amount not less than the estimated current Rebuilding Cost of the Home according to the 'Guide to House Rebuilding Costs for Insurance Valuation' prepared by the Building Cost Information Service (BCIS) of the Royal Institution of Chartered Surveyors (RICS) or an alternative acceptable to the Insurer
- c) the Amount Insured shall thereafter be adjusted monthly in line with the Housing Cost Index prepared by the RICS or an alternative index

advised by the Insurer.

If, at any time, the Home is extended or modified or improved in a manner which may affect the full Rebuilding Cost the Society must be given full details and the Amount Insured adjusted accordingly.

BASIS OF CLAIMS SETTLEMENT

Basis of Claims Settlement applicable to Buildings

We will pay the cost of work carried out in rebuilding or repairing your Buildings or at our option we will replace them if they suffer loss or damage in any of the circumstances listed in items 1 to 16. We will not pay for the cost of replacing any undamaged item or parts of items forming part of a set, suite or other article of a uniform nature, colour or design when damage occurs within a clearly identifiable area or to a specific part.

If repair or replacement is not carried out:

- a) because the damaged property is incapable of economic repair or replacement, we will, at our discretion, pay the reduction in market value resulting from the damage.
- b) for any other reason, we will pay the reduction in market value resulting from the damage but not exceeding what it would have cost to repair or replace the damage if the repair work had been carried out without delay.

The maximum amount payable in respect of any one claim under items 1 to 16 is:

- a) if the Rebuilding Cost Guarantee applies, the full Rebuilding Cost, less any Excess
- b) if the Rebuilding Cost Guarantee does not apply, the amount insured, less any Excess

We cannot pay any of the cost of extending or improving your Buildings beyond their condition as new.

Wear and Tear

If at the time of any damage the Buildings have not been maintained in a good state of repair or if the Sum Insured has not been set and maintained in accordance with the criteria described under REBUILDING COST GUARANTEE, we will only pay the cost of repair or replacement less deduction for wear and tear, less any Excess.

Basis of Claims Settlement applicable to Contents and High Risk Items

We will pay the cost of replacement as new (or at our option we will replace as new) except for

- a) household linen, clothing and pedal cycles, where a deduction for wear

- and tear will be made
- b) items that can be economically repaired (including household linen and clothing) where the cost of repair will be paid
 - c) where You do not intend to replace or repair, in which case a deduction will be made for wear and tear accordingly.

We will not pay for the cost of replacing any undamaged item or parts of items forming part of a set, suite or other article of a uniform nature, colour or design when damage occurs within a clearly identifiable area or to a specific part.

Helpline Service

As a Hanley Economic Building Society policyholder you are entitled to use the following services provided by CGU Insurance's Home Helpline.

24 Hour Claims Assistance

Staff are available round the clock to advise you on claims procedures and answer your emergency enquiries. Simply telephone the following freephone number

Helpline 0800 555 333

24 Hour Emergency Call-out Service

If you need a plumber, joiner, glazier, builder, roofer or any other tradesman then Home Helpline is available, giving access to a large number of trades and services.

No need to:

- Search through a phone book to find a tradesman
- Waste time on phone calls
- Take a chance with an untried tradesman

Just call the free helpline number and let Home Helpline find a reputable, local tradesman to solve your problem.

You must pay the workman but if the damage is covered under your policy the cost will be refunded, subject to the terms and conditions of the policy.

It does not matter what your problem is, give Helpline a call and let them take the heat out of the situation. CGU Helpline will also help to minimise the problem until the tradesman arrives, so don't worry about how often you need to phone, the call is free and staff will be happy to help.

Free Emergency Call-out Service 0800 555 333

24 Hour Legal Advice

A team of qualified legal staff is available night and day to advise you or any member of your immediate family, living with you, on any personal legal problem. You will be advised of your legal rights and what courses of action are open to you. All the advice is confidential and there are no consultation fees – all you pay for is the phone call.

Legal Advice 01738 630005

How to Make a Claim

What you should do

- 1) Check that the property and cause are covered by the Policy. This booklet contains details of what is insured, what is excluded and how claims are settled.
- 2) Tell us as soon as possible by telephoning us on 01274 844320 or by writing to us at CGU Insurance Property Unit, P.O. Box 153, 1 New Augustus Street, Bradford BD1 5YW. Immediate advice is essential if damage is serious or caused by riot.
- 3) Where necessary tell the Police or the Credit Card Authority.
- 4) Obtain estimates as soon as possible for repairing the damage. Temporary repairs necessary to make your property weatherproof (if, for example, the roof has been damaged) can be put in hand immediately. However, we should be given an opportunity of inspecting the damage before permanent repairs are done.

What we will do

- a) Where the damage is serious we will arrange for someone to call on you as soon as possible.
- b) In other cases we will let you know if we need any more information. In most cases we will be able to settle your claim on the basis of the details in the Claim Form.

Complaints Procedure

We are pleased to inform You of how Hanley Economic Building Society in conjunction with the Insurer meets its obligations under the following legislation which applies for all contracts where the insured is an individual

Insurance Companies (Third Insurance Directives) Regulations 1994

(a) Choice of Law

The Insurer and You the insured are entitled to choose the law applying to the insurance contract.

It is proposed that the following law shall apply to the insurance contract:

1. the law applying to that part of the UK, Channel Islands or Isle of Man in which you or (if applicable) the first names policyholder lives; or
2. in the case of a business the law applying to that part of the UK, Channel Islands or Isle of Man where it has its principal place of business; or
3. failing the application of either of the above, the law of England and Wales.

In the absence of any written agreement to the contrary, the law proposed by Us shall apply.

(b) Complaints Handling

Any enquiry or complaint You may have regarding your policy should be addressed to the Hanley Economic Building Society at the address shown on the mortgage statement. Please have the details of your mortgage account number ready, to help ensure that your enquiry can be handled as promptly as possible.

If You are not satisfied write to the Manager, CGU Insurance, Property Unit, PO Box 153, 1 New Augustus Street, Bradford, BD1 5YW.

If You are still not satisfied write to the Manager, CGU Insurance Head Office, Pitheavlis, Perth PH2 0NH, who will ensure that your case is examined thoroughly by Senior Management. (Telephone 01738 621202 ext. 5018, Fax 01738 442659)

When You have received a reply from Senior Management and if You still remain dissatisfied you can also ask the ABI for help by contacting any of their regional offices, the address and telephone number of which may be found in the telephone directory, or by contacting the Consumer Information Department, Association of British Insurers, 51 Gresham Street, London EC2V 7HQ Tel: 0171 600 3333.

Should all of the above steps fail to solve the problem You may refer the dispute to The Insurance Ombudsman Bureau, City Gate One, 135 Park Street, London SE1 9EA.

The existence of the Insurance Ombudsman Bureau or CGU Insurance's own internal arrangements does not affect your rights to take legal action against the Insurer.

Data Protection Act 1984

Information held by the Hanley Economic Building Society on computer in

connection with this insurance will be used only for the purpose of the Society's business as registered under the Act. You are entitled to obtain a copy of the details held about You by the Society on computer, for which a fee is payable.

The Society has undertaken to comply with the Association of British Insurers' Code of Practice for the selling of General Insurance and is designated a Company Agent for which the company it represents accepts responsibility. A copy of the code is available on request.

NOTICE

Insurers and their agents share information with each other to prevent fraudulent claims and for underwriting purposes via the Claims and underwriting Exchange Register, operated by Insurance Database Services Ltd. A list of participants is available on request. In the event of a claim, the information you have supplied on your application form, together with the information you supply on a claim form and other information relating to the claim, will be put on the register and made available to participants.

It is a condition of renewing your policy that you give you consent to the information on your application form and on any claims you make being supplied to IDS Ltd, so that it can be put on the register and made available to other insurers. It is also a condition that you agree in response to any searches we make in conjunction with any claims you have made in the past or may make in the future that IDS Ltd may supply information it has received from other insurers about other claims you have made.

ABI General Code of Practice

the ABI Code of Practice provides a framework of general principles within which ABI members and intermediaries should sell general insurance products. The key principles are as follows:

- identify status
- establish the customer's needs and recommend the policy which best satisfies these needs
- specify which insurance company is providing the insurance cover
- act within their level of knowledge
- outline the cover offered
- draw attention to the main provisions, restrictions and exclusions
- indicate the procedure for making complaints
- ensure all documentation relating to the insurance cover is forwarded to the client
- keep proper account of all financial transactions
- if an independent intermediary, disclose commission level on request
- advise the insurer of all claims with 3 working days of intimation