# DLUHC EWS1 Professional Indemnity Insurance Scheme Summary

## Introduction

The purpose of this document is to provide a summary of the EWS1 Professional Indemnity Insurance Scheme.

If you have any questions, please send them to DLUHC.EWS1PII@levellingup.gov.uk

**Background**

The EWS1 survey is a set way for a building owner to confirm to valuers and lenders that an external wall system (EWS) or attachments, such as a balcony, on high rise buildings has been assessed by a suitable expert for likelihood of proportionate remediation to address fire safety risks.

The survey was created to ensure residential buildings over 18m tall can be assessed for safety to allow lenders to offer mortgages. It is not a life safety certificate. It should not be taken as confirmation that other works relating to fire safety in other parts of the building are not required.

The Royal Institution for Chartered Surveyors (RICS) has published proportionate guidance for valuers to help decide whether a particular building should need an EWS1 survey. Not every building will require an EWS1 survey. You should always have a rationale to justify the request for the EWS1 survey.

The Government-backed professional indemnity insurance scheme is now active. Insurance under the scheme is issued by our insurance partner, SCOR UK, and administered by their agent, MGAM Limited.

## Eligibility

The scheme opened on 26th September 2022 and runs for five years. Policies issued are valid for the lifetime of the EWS1 certificate, which is five years. If a policy is issued in the fifth and final year of the scheme, it will continue to be valid for another five years. The scheme is available UK wide.

At this current time, you will need to be on an eligibility register, which is managed by IFE and RICS, and open to CEng and IEng members of IFE, and completers of the RICS EWS Assessment Training Programme.

## About the Policy

Key Facts:

* Policies are taken out per building and cover any claim that could arise from an EWS1 assessment (subject to any limitation period). You will not need to renew the policy on a yearly basis.
* Policy limits and premiums are determined by building height.
* Premiums must be paid within 60 days of the cover being purchased; otherwise the policy will be cancelled.
* Firms can purchase policies. Additional insureds can be added to the policy.

Coverage:

* The policy for this scheme is provided on a “project” basis. Once incepted, the policy will respond to any claim resulting from the Survey whenever it is made (subject to any limitation period that may apply).
* For example, an EWS1 survey conducted in year 1 is used by a mortgage lender to make lending decisions. If a new EWS1 survey carried out in year 7 concludes that the previous form had an incorrect rating, the policy would respond to claims for losses where the EWS1 was relied upon by parties because the EWS1 form was valid when used by the mortgage lender and it is within the terms of the policy and statutory limitation period. However, if a mortgage lender relied on the EWS1 in year 6 to make a lending decision and subsequently found in year 7 that the rating was incorrect, the policy would not respond to that claim because the EWS1 form had expired at the time the form was relied upon to make a decision.
* The policy covers an external wall system assessment for the completion of an EWS1 form. It does not cover the use of that assessment in any other application, such as part of a fire risk assessment. It is designed to complement general PI cover, which can be used for assessments in an FRA or other surveys.
* The policy covers:
	+ Civil liability for claims arising as a result of the Assessment;
	+ Ombudsman’s awards in relation to the Survey;
	+ Defence costs against civil prosecution in relation to a covered claim; and
	+ Legal representation costs at civil legal proceedings in connection with a covered claim.
* Coverage is set according to building height (Pricing will be made available on launch):

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| --- | --- |
| Building Height | Policy Limits |
| Buildings from 11m up to 18m | £2m |
| Buildings from 18m up to 30m | £5m |
| Buildings over 30m | £10m |

* Buildings below 11m, built after 2018 and under construction are excluded.

Professional Appointment:

* As a condition of the policy, you must use the professional appointment letter provided to contract with a building owner, their agent, or others with an interest in the building (such as a lender) to ensure the scope of work is appropriately covered by our insurance policy.
* The professional appointment letter outlines the requirements upon the building owner or an entity contracting on behalf of the building owner and assessor.
* This includes binding terms for the building owner or contracting entity to pay 40% of the fees *in advance* of the assessment being carried out.

Payment Terms:

* The premium must be paid within 60 days of the start of cover. Assessors are covered from the date the policy is issued. If the premium is not paid within this time the Insurer has the right to cancel this Policy by notifying the policyholder in writing.
* The Insurer will provide a minimum of 30 days’ notice of its intent to cancel. If the premium is paid in full before the notice period expires the cancellation notice shall be revoked, if not, the Policy can be automatically deemed to have been terminated from inception.

Conditions:

* Whilst the policy includes all the general conditions that would be expected from a professional indemnity policy, it also includes some specific conditions:
	+ Assessment Standards - The survey must be undertaken to the following standards:
		- The top storey is more than 11m above ground level - as calculated in accordance with the Building Regulations 2010 (Building Regulations).
		- The BSI PAS 9980, and all other applicable laws, regulations, professional guidance notes and industry codes of practice.
	+ Public Liability Insurance
		- The insured must maintain public liability insurance covering the work undertaken as part of the survey with a limit of at least £1m every occurrence.

Exclusions:

* Whilst the policy includes all the general exclusions that would be expected from a professional indemnity policy, it also includes several specific exclusions:
	+ Contractual Limitation - any loss arising from any survey carried out other than under the Agreed Form Professional Appointment.
	+ Late Reliance - reliance upon the results of a Survey: (a) after a period of 5 years from it being carried out: or (b) after the carrying out of another EWS1 survey for a valid reason, whichever is the earliest.
	+ No Fire Safety Requirement - any loss arising from a Survey which is undertaken on a premises which did not require one. The assessor should determine whether a survey is required before the policy is issued.
	+ Previous Activities - any claim resulting from the insureds professional activities carried out prior to the inception of the policy.
	+ Subsequent Work - reliance upon the results of the Survey where another EWS1 survey has been carried out within 5 years of the survey period (other than for a valid reason) - this exclusion does not apply to the first survey undertaken following remedial works to certify such previous work.
	+ Qualifications and Experience - any claims where the Survey has been undertaken by someone without the relevant experience and/or qualifications.
	+ Alternative Use of Associated Documentation - Policy coverage is restricted to the use of the EWS1 for valuation purposes and does not include technical reports or suggested actions based on the report.

## Audit Provisions

All EWS1s will be subject to an audit process. As a condition of each policy, assessors must:

* upload (a) the completed EWS1 form and report and (b) the signed professional appointment letter within 14 days of its completion via the online platform.

## How to purchase a policy

For further details and to purchase a policy, you can do at <https://ews1gateway.co.uk/>