

CONTRACTORS JCT 6.5.1 SECTION

Definitions

1. Employer

Shall mean any person employer firm company ministry or authority for whom **the Insured** is carrying out a contract or agreement for the performance of work and shown in documentation issued by **the Insurer** for a specific contract.

2. Pollution or Contamination

- a. all **Pollution or Contamination** of buildings or other structures or of water or land or the atmosphere

and

- b. all loss or damage directly or indirectly caused by such **Pollution or Contamination**

All **Pollution or Contamination** which arises out of one incident shall be deemed to have occurred at the time that such incident takes place.

3. Territorial limits

- a. **United Kingdom**
- b. any other member country of the European Union.

4. Works

The permanent works undertaken by or on behalf of **the Insured** in performance of a specific contract for which **the Insurer** has issued documentation.

Cover

In the event of **the Insured** entering into a contract within the **Territorial Limits** where **the Insured** is required to effect insurance under the terms of clause 6.5.1 of the JCT Standard Form of Building Contract 2005 or any revision or substitution thereof or any clause of similar intent under any other contract conditions:

The Insurer will indemnify the **Employer** (as though the **Employer** was named as the insured in the **Schedule**) in respect of any expense liability loss claim or proceedings which **the Employer** may incur or sustain by reason of damage to any material property occurring during the **Period of Insurance** and caused by the collapse subsidence heave vibration weakening or removal of support or lowering of ground water arising out of or in the course of or by reason of the carrying out of **Works**.

In addition

- a. **the Insurer** will pay costs and expenses incurred by **the Insurer** or with its written consent in connection with the defence investigation or settlement of any claim which may be the subject of Indemnity under this **Section**.
- b. If **the Insured** is specifically required to effect insurance in the terms of clause 6.5.1. of the JCT Standard Form of Building Contract 2005 **the Insurer** will provide cover for such risks in accordance with this **Section** for a period not exceeding 21 days from commencement of the contract at rates and terms to be agreed.

Provided that

- I. **the Insured** shall notify **the Insurer** as soon as they became aware of the requirements for such cover and provide full details of the contract
- II. the limit of indemnity required by the contract does not exceed £2,000,000
- III. the contract does not involve any piling underpinning or work excluded by General Exclusion 3 of this **Policy**
- iv. **the Insurer** shall not be liable for the first £500 of each and every claim.

Limit of Indemnity

The Insurers liability for all sums payable in respect of all expenses liabilities losses claims or proceedings arising from

- a. any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause
- b. all **Pollution or Contamination** which is deemed to have occurred during the **Period of Insurance**

shall not exceed the limit of indemnity shown in the documentation issued by **the Insurer** for a specific contract.

Exclusions

This **Section** does not cover: -

1. Damage to the **Works** etc.

any expense liability loss claim or proceedings arising from damage to any work executed in connection with the **Works** or to any materials plant tools equipment temporary works temporary buildings or any other property brought on to the site of the **Works** for the purpose of the execution of the **Works**.

2. Clause 6.5.1 Exceptions

any expense liability loss claim or proceedings arising from damage to property

- a. due to any negligence breach of statutory duty omission or default of **the Insured** his servants or agents or of any person employed or engaged upon or in connection with the **Works** or any part thereof his servants or agents or of any other person who may properly be on the site upon or in connection with the **Works** or any part thereof his servants or agents other than the **Employer** or any person employed engaged or authorised by him or by any local authority or statutory undertaking executing work solely in pursuance of its statutory rights or obligations
- b. attributable to errors or omissions in the designing of the **Works**
- c. which can reasonably be foreseen to be inevitable having regard to the nature of the work to be executed or the manner of its execution
- d. which it is the responsibility of the **Employer** to insure under Schedule 3 Option C.1. (if applicable) of the JCT Conditions of Contract.

3. Fines Penalties Liquidated and Punitive etc Damages

any liability in respect of

- a. fines penalties or liquidated damages or
- b. aggravated punitive or exemplary damages or any damages resulting from the multiplication of compensatory damages.

4. **Pollution or Contamination**

any expense liability loss claim or proceedings in respect of or arising from **Pollution or Contamination** unless caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific time and place during the **Period of Insurance**.

5. Sonic Bangs

loss destruction or damage directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

6. Computer Date Recognition

any expense liability loss claim or proceedings arising directly or indirectly from the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of **the Insured** or not to achieve any or all of the purposes and consequential effects intended by the use of any number to denote a date including the failure

1. correctly to recognise any date as its true calendar date
2. to recognise capture save retain restore and / or correctly to manipulate interpret calculate or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
3. to recognise capture save retain restore and / or correctly to manipulate interpret calculate or process any data or information as a result of the operation of any command which has been programmed into any computer software or firmware being a command which causes the loss of data or the inability to recognise capture save retain restore or correctly to manipulate interpret calculate or process any data on or after any date.

Conditions

1 Other Insurances

This **Section** does not cover any expense liability loss claim or proceedings arising from damage to property recoverable under any other policy effected by or on behalf of or for the benefit of the **Employer**.

2. Alteration in Risk

The Insured must notify **the Insurer** as soon as possible if during the **Period of Insurance** there is any alteration:

- a. in or to the **Business**
- b. in the ownership of **the Insured**
- c. to the facts or matters set out in the **Schedule** or otherwise comprising the risk presentation made by **the Insured** to **the Insurer** at inception, renewal or variation of the **Policy** which materially increases the risk of expense, liability, loss, claim or proceedings and any other costs and expenses that may be incurred as insured by this **Section**.

Upon being notified of any such alteration, **the Insurer** may, at its absolute discretion

- a. *continue to provide cover under this Section on the same terms*
- b. restrict the cover provided under this **Section**
- c. impose additional terms
- d. alter the premium
- e. cancel this **Section** and the **Policy**.

If **the Insured** fails to notify **the Insurer** of any such alteration, **the Insurer** may

- a. treat this **Section** and the **Policy** as if it had come to an end as at the date of the alteration of the risk, returning a proportionate amount of the premium for the unexpired **Period of Insurance**, if **the Insurer** would have cancelled this **Section** and the **Policy** had it known of the increase in risk
- b. treat this **Section** and the **Policy** as if it had contained such terms (other than relating to premium) or other restrictions (if any) from the date of the alteration in risk as **the Insurer** would have applied had it known of the increase in risk
- c. reduce proportionately the amount paid or payable on any claim, the proportion for which **the Insurer** is liable being calculated by comparing the premium actually charged as a percentage of the premium which **the Insurer** would have charged had it known of the increase in risk.

3. Major Variations

Any major variation or change in plan must

- a. be agreed with the structural or consulting engineer
- b. be notified to **the Insurer** and agreed before commencement thereof.

4. Claims Procedure

Upon the happening of any damage to property belonging to the **Employer** or for which the **Employer** is responsible

- a. **the Insured** shall if required by **the Insurer** produce or give access to such property and **the Insurer** shall be entitled to take possession of such property and to deal with the salvage in a reasonable manner but **the Insured** shall not be entitled to abandon any property to **the Insurer** whether taken possession of by **the Insurer** or not
- b. **the Insurer** may by payment or at its option by repair or reinstatement or replacement indemnify the Insured for such damage.

5 Arbitration

If any difference arises as to the amount to be paid under this **Section** (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions. Where any difference is by this condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against **the Insurer**.