

Allianz Insurance plc

Construction Project All Risks

Policy Wording



Chartered

Allianz 

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Thank you for choosing
Allianz Engineering.

Our technical expertise built over many years of providing engineering insurance and inspection products and services means you can trust us to be there when you need us.

If you need further details or have any questions, your broker or local Allianz Engineering branch will be delighted to help. Alternatively help and guidance can be obtained from:

Allianz Engineering
Head Office
Haslemere Road
Liphook
Hampshire
GU30 7UN
UK

Important

The insurance cover provided by this Policy may be varied by clauses printed in the Schedule.

Please read both the Policy and Schedule to make sure that you have the insurance cover required.



Construction Project All Risks Policy

Allianz Insurance plc (referred to as 'the Insurers' or 'the Insurer') will indemnify or otherwise compensate the Insured named in the Schedule (referred to as 'the Insured') in accordance with and subject to the terms and conditions of the insurance in return for the Insured having paid or agreed to pay the Insurance Premium for the Period of Insurance.

Your insurance policy is made up of this Policy including all Exclusions Extensions and Conditions the Schedule and the proposal which you made to the Insurers prior to taking out this cover. These documents shall be read together as one contract.

Any word or expression to which a specific meaning has been given shall have the same meaning wherever it may appear in this Policy.

Please read all the pages of this Policy and Schedule carefully to ensure that your insurance requirements are met.

For Allianz Insurance plc

A handwritten signature in black ink that reads "Jonathan Dye". The signature is written in a cursive style with a checkmark-like flourish at the beginning.

Jonathan Dye
Chief Executive

**Allianz Engineering is a trading name used by
Allianz Insurance plc**

Policy Definitions

The following definitions apply to this Policy unless amended by Cover Option Definitions and are denoted by capital letters throughout this Policy.

1 Accident

Damage to Contract Works or Temporary Works insured by **Cover One**.

2 Additional Cost of Construction

The additional amount by which the cost of Contract Works uncommenced or unbuilt at the date of the Damage shall exceed the cost which would have been incurred but for the occurrence of the Damage.

3 Business Activity

The undertaking of the Contract Works shown in the Schedule including the provision by the Insured of sports social or welfare organisation primarily for Employees.

4 Commissioning

The operational testing commencing either with the introduction into the Contract Works of feedstock or other materials for processing or handling or when supply to a system commences.

Commissioning does not include any processes involving chemical action or reaction unless the prior agreement of the Insurers has been obtained.

5 Contract

The agreement under which the Contract Works are undertaken.

6 Contract Site

The site address stated in the Schedule including adjacent thereto.

7 Contract Value

The awarded value of the Contract Works including the value of Free Issue Materials and all other costs associated with the completion of the Contract or in respect of Speculative Developments the value of the works to be completed in a single defined phase

8 Contract Works Programme

The construction schedule or work programme that details the work to be undertaken and the scheduled date(s) of completion of the insured Contract Works.

9 Contractor

The party undertaking the Contract Works on behalf of the Employer and whose name is detailed in the Schedule as the Contractor.

10 Damage

Loss damage or destruction.

11 Employee

- a Any person under a contract of service or apprenticeship with the Insured and
- b shall extend to include any of the following persons whilst working for the Insured in connection with the Business Activity
 - i any labour master or labour only subcontractor or person supplied by him
 - ii any self-employed person providing labour only
 - iii any trainee or person undergoing work experience
 - iv any voluntary helper
 - v any person who is borrowed by or hired to the Insured.

12 Employer

The party on whose behalf the Contract Works are undertaken and whose name is detailed in the Schedule as the Employer.

13 Enterprise

The completed Contract Works the subject of the Contract constructed for the generation of income.

14 Excess

The monetary amount(s) which the Insured shall bear in respect of each and every occurrence for which the Insured is indemnified by this Policy.

15 Injury

- a Bodily injury death disease illness mental injury or nervous shock.
- b Invasion of the right of privacy false arrest false imprisonment false eviction or malicious prosecution of any person.

16 Nuclear Material

- a nuclear fuel (other than natural uranium and depleted uranium) capable of producing energy by a self sustaining chain process of nuclear fission outside a nuclear reactor either alone or in combination with some other material and
- b radioactive products or waste produced in or any material made radioactive by exposure to the radiation incidental to the production or utilisation of nuclear fuel but does not include radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose.

Policy Definitions continued

17 Offshore Installations

- a Any rig platform accommodation or other installation in the sea or tidal waters.
- b Any pipe or system of pipes in the sea or tidal waters.
- c Any support vessels in the sea or tidal waters.

18 Period of Insurance

The period from the Effective Date to the Expiry Date as shown in the Schedule.

19 Policy

The contract of insurance formed of the Policy wording Schedule and any proposal made by the Insured or on their behalf to the Insurers (whether or not such proposal is recorded in writing).

20 Practical Completion

The completion of construction apart from the decorations finishes and fitments that will be chosen by the purchaser or tenant.

21 Premium Adjustment

If the premium calculated on the basis agreed between the Insurers and the Insured on the declarations made for the Period of Insurance exceeds or falls short of the deposit then the Insured shall pay or the Insurers shall refund the difference subject to the minimum premium retention shown in the Schedule or if no amount is shown in the Schedule seventy five percent (75%) of the deposit premium.

22 Principal

Any party (other than a director partner or employee of the Insured) on whose behalf the Insured is undertaking work in the course of their Business.

23 Production Use or Storage of Nuclear Material

The production manufacture enrichment conditioning processing use storage handling or disposal of Nuclear Material.

24 Products

Any goods or other property (including their containers packaging labelling and instructions for use) sold supplied delivered installed erected repaired altered treated or tested by the Insured in connection with the Business Activity and not in the charge or control of the Insured.

25 Property Insured

1 Contract Works

The permanent works undertaken in the performance of the Contract or Speculative Development and allocated to or incorporated in the works including

- a Temporary Works
- b Free Issue Materials

Contract Works does not include

- i prototype experimental untried or unproven works or machinery
- ii Contractors Plant
- iii Temporary Buildings
- iv Hired In Plant.

2 Free Issue Materials

Materials supplied by the Employer or their agents for which the Insured is responsible under the terms of the Contract and for which the value has

- a been declared to the Insurer at the expiry of the Period of Insurance in accordance with **General Condition 9** Declarations and
- b where the presence of such materials is known of at the time been included in the estimates supplied by the Insured to the Insurers prior to the Period of Insurance.

3 Temporary Works

Structures and their materials that are necessary for access to or support of the works and will

- a be removed from the contract site on or before the date of completion of the works
- b not normally be used again in connection with other contracts.

4 Constructional Plant

Tools tackle plant and equipment belonging to the Insured or for which the Insured is responsible under a hire purchase or lease agreement.

5 Temporary Buildings

Site huts and other temporary accommodation taken to the site for the purpose of site accommodation and their contents (other than computer or other data processing equipment) belonging to the Insured or for which the Insured is responsible under a hire purchase or lease agreement.

Policy Definitions continued

6 Hired In Plant

Tools tackle plant and equipment site huts and other temporary accommodation and their contents (other than computer and other data processing equipment) hired by the Insured solely for use in connection with the Contract Works and for which they are responsible under the terms of their hiring agreement or otherwise but not plant on hire purchase or subject to a lease agreement or on free loan.

26 Reinstatement

- a** Where the Contractors Plant Temporary Buildings or Hired In Plant are destroyed their replacement by similar plant or property in a condition equal to but not better or more extensive than their condition when new.
- b** Where the Contractors Plant Temporary Buildings or Hired In Plant are damaged the repair of the damage to a condition equal to but not better or more extensive than their condition when new.

27 Schedule

The part of this Policy that details information forming part of this contract of Insurance and that shows the Cover Options of this Policy that are operative.

28 Specified Event

- a** Damage to property in the Vicinity of the site of the Contract Works (but excluding Damage to property of any supply undertaking from which the Business Activity obtains electricity gas water telecommunications or sanitation services) which shall prevent or hinder the use of the site of the Contract Works or access or exit thereto whether the site of the Contract Works or the Contract Works themselves shall be Damaged or not
- b** action by any Government Authority Local Authority or Police Authority following a danger or disturbance in the Vicinity of the site of the Contract Works other than a danger or disturbance resulting from a Terrorist Act or a threat thereof
- c** the order of the Insured (or any other party appointed by the Insured with responsibility to ensure the safety of those working on the site) upon receipt of a bomb threat at or in the Vicinity of the site of the Contract Works.

29 Speculative Developments

Buildings constructed by the Insured other than under Contract.

30 Territorial Limits

- a** In respect of **Cover One Cover Two Cover Three Cover Four** and **Cover Five**
Great Britain Northern Ireland the Isle of Man and the Channel Islands.
- b** In respect of **Cover Five** only
Elsewhere in the world in respect of injury or Damage caused by or arising from non-manual activities undertaken solely in connection with the Business Activity of any partner director or Employee of the Insured normally resident within the territories specified in definition **a** above and occurring during any journey or temporary visit.

31 Testing

The application of power or driving force to an item of machinery prior to the introduction of feedstock or raw materials or the application of a load.

32 Insured

The Insured named and shown in the Schedule.

33 Insurers

Allianz Insurance plc.

As required by the context of the sentence(s) or paragraph(s) in which they are present throughout this Policy Definitions shall be read to:

- i** be plural where singular or singular where plural
- ii** include any gender where gender is referred to
- iii** appear in current past or future tense.

34 United Kingdom

Great Britain Northern Ireland the Isle of Man and the Channel Islands.

35 Vicinity

Within one mile of the situation of the Property Insured.

36 Vitiating Act

Fraud material misrepresentation material non-disclosure or breach of any Condition of this Policy.

Cover One – Contract Works

Damage to the Contract Works described in the Schedule anywhere in the Territorial Limits occurring during the Period of Insurance

a Transit

while in transit other than by sea or air to and from the Contract Site (including incidental storage for a period not exceeding fourteen (14) days) from the commencement of loading on to transport vehicles until the completion of unloading at the destination.

b Contract Site

at the Contract Site until

- i** the issue of a certificate of completion or taking over certificate or
- ii** the completion of construction or
- iii** until taken into use

whichever is the earlier and for a further fourteen (14) day period where the Contractor is required to insure under the terms of the Contract.

c Maintenance

during the maintenance or defects liability period

- i** from a defect originating prior to the commencement of this period or
- ii** caused by the Contractor in the course of any operations they carry out at the Contract Site for the purpose of remedying any defects in the Contract Works or otherwise fulfilling the maintenance obligations under the terms of the Contract.

Provided that **c** above

- 1** shall not exceed the period shown in the Schedule from the issue of a certificate of completion or taking over certificate or completion of construction or being taken into use whichever is the earlier
- 2** applies to the extent that the Contractor is responsible under the terms of the Contract.

Cover One – Limit of Liability

The liability of the Insurers shall not exceed the lesser of

- a** the Contract Value plus the cost of any additions amendments or variations including the value of Free Issue Materials or
- b** the Limit of Liability shown in the Schedule

and in addition

- c** any amounts shown in the Extensions

in respect of any one accident or series of accidents arising from one occurrence of Damage.

The amount under **b** above may be increased by not more than the percentage shown in the Schedule should the Contract Value plus the cost of any additions amendments or variations including the value of any Free Issue Materials exceed the Limit of Liability shown in the Schedule.

Cover One – Extensions

Cover One is extended to cover

1 Professional Fees

architects surveyors consulting engineers or other professional fees in accordance with those authorised by the appropriate professional body necessarily incurred in the reinstatement of the Contract Works following Damage for which the Insurers have admitted liability but not the cost of preparing a claim under this Policy.

2 Breakdown or Explosion

Damage to new and unused machinery forming part of the Contract Works caused by electrical or mechanical breakdown or explosion.

This Extension shall continue

- a for a period of seven (7) calendar days from the commencement of Testing of an individual item and
- b for a period of one (1) calendar month from the commencement of Commissioning
- c during the maintenance or defects liability period

Provided that c above

- i shall not exceed the period shown in the Schedule from the issue of a certificate of completion or taking over certificate or completion of construction or being taken into use whichever is the earlier
- ii applies to the extent that the Contractor is responsible under the terms of the Contract.

Cover One Exclusion 3 Breakdown or Explosion shall not apply to this Extension.

3 Plans

the cost of materials labour and computer time necessarily incurred to restore plans drawings and other documents following Damage within the Territorial Limits.

Provided that the liability of the Insurers shall not exceed £150,000.

4 Fire Brigade Charges

the cost of charges arising from the activities of the Fire Brigade in dealing with the consequences of Damage for which the Insurers have admitted liability.

Provided that the liability of the Insurers shall not exceed £50,000.

5 Offsite Storage

Damage to Contract Works while in store at any location in the Territorial Limits other than the Contract Site.

Provided that

- a the Contract Works are ready for delivery to the Contract Site
- b allocation to an insured Contract or Speculative Development can be proved
- c the value of the Contract Works in store at any one location shall not exceed the lesser of
 - i twenty five percent (25%) of the Contract Value or
 - ii £500,000.

6 Debris Removal and Protection

the cost necessarily and reasonably incurred by the Insured in

- a removing debris
- b dismantling or demolishing
- c shoring up or propping
- d fencing off
- e repairing or cleaning drains sewers service mains gullies manholes and the like and/or dewatering
- f temporary boarding up of windows following breakage of glass

following Damage for which the Insurers have admitted liability.

Provided that

- i the liability of the Insurer shall not exceed ten percent (10%) of the Contract Value
- ii the Insurer will not be liable for the cost incurred arising from pollution or contamination of property not Insured by this Policy.

Cover One – Extensions continued

Cover One is extended to cover

7 European Union and Local Authorities Cost

the additional cost of reinstatement of the Contract Works subject to Damage for which the Insurers have admitted liability as may be incurred solely to comply with European Union legislation and / or building or other regulations under or framed in pursuance of any act of parliament and / or with by-laws of any municipal or local authority and / or any change by the Secretary of State to regulations with or without an act of parliament and / or the Insurers requirements to replace an automatic sprinkler installation in accordance with the current Loss Prevention Council (LPC) Sprinkler Rules or any change in interpretation of existing regulations provided that

a the amount recoverable under this Extension shall not include:

i the cost incurred in complying with any of the legislation or requirements or regulations or by-laws detailed in this Extension

1 in respect of Damage not insured by this Policy

2 under which notice has been served upon the Insured prior to the happening of the Damage

3 in respect of Property Insured or portions of Property Insured which have not suffered Damage other than foundations (unless foundations are specifically excluded or not insured by this Policy) of that portion of the Property Insured subject to Damage

ii the additional cost that would have been required to make good the Property Insured subject to Damage to a condition equal to its condition when new had the necessity to comply with any of the legislation or regulations or by-laws or requirements detailed in this Extension not arisen

iii the amount of any rate or tax or duty or development or other charge or assessment arising out of capital appreciation which may be payable in respect of the Property Insured or by the owner of the property by reason of compliance with any of the legislation or regulations or by-laws detailed in this Extension

b the work of reinstatement is commenced and carried out within a reasonable timescale and in any case completed within twelve (12) months after the occurrence of the Damage or within such further time as the Insurers may during that twelve (12) months in writing allow and may be carried out wholly or partially upon another site (if the legislation or regulations or by-laws or requirements detailed in this Extension so necessitate) subject to the liability of the Insurers under this Extension not being thereby increased

c if the liability of the Insurers under this Policy apart from this Extension shall be reduced by the application of any of the terms Conditions and Exclusions of this Policy then the liability of the Insurers under this Extension in respect of any such item shall be reduced proportionately

d all the Conditions of this Policy except insofar as they may be expressly varied for the purposes of this Extension shall apply as if they had been incorporated into this Extension

e the liability of the Insurers shall not exceed ten percent (10%) of the Contract Value.

8 Speculative Developments

Damage to Speculative Developments

a in respect of buildings comprising of flats within a single block

i for a period not exceeding ninety (90) days following Practical Completion of the last building on the Contract Site or

ii until the date that more specific insurance is initiated

whichever occurs first

b in respect of other buildings

i until the date of sale occupation or hand over or

ii for a period not exceeding ninety (90) days following Practical Completion of the last building on the Contract Site

whichever occurs first

Nothing in this Extension shall be deemed to extend the Insurance beyond the date of expiration of the Policy.

9 Expediting Expenses and Temporary Repairs

the necessary and reasonable additional cost of effecting temporary repairs and expediting permanent repair replacement or rectification including overtime weekend and shift working payments plant hire charges express delivery including airfreight following Damage for which the Insurers have admitted liability but excluding any cost solely to expedite the completion of any construction or installation of Property Insured that has not suffered Damage.

Provided that the liability of the Insurers shall not exceed the lesser of

a twenty five percent (25%) of the cost of repair replacement or rectification had the additional costs not been incurred or

b £1,000,000.

Cover One – Extensions continued

Cover One is extended to cover

10 Avoidance of Impending Damage

the cost incurred by the Insured in taking exceptional measures that are reasonable to avoid or reduce impending Damage which would have resulted in a claim under this Policy.

Provided that

- a** the impending Damage did not arise from any defect in the Property Insured
- b** the impending Damage did not arise from a reasonably foreseeable cause
- c** the Damage would have been the natural outcome to be expected in the absence of the measures taken
- d** the Insurers are satisfied that Damage which would have been insured under this Policy has been avoided or reduced in consequence of the measures taken
- e** the liability of the Insurers shall not exceed the cost which would have been incurred had the measures not been taken and Damage insured by this Policy had occurred.

11 Additional Costs of Construction

the Additional Cost of Construction which occurs during the Period of Insurance incurred by the Insured in the event of Damage to the Contract Works for which liability has been admitted (or would have been admitted but for the application of the Excess).

Provided that such additional amount shall solely relate to the effect of inflation on the cost of materials usage of plant and labour.

Provided that

- a** the liability of the Insurers shall not exceed £1,000,000
- b** the Insurers will not be liable for the first ten percent (10%) of each and every occurrence of Damage subject to a minimum of £10,000.

This Extension does not include any cost

- a** which would have been incurred irrespective of whether the Damage had occurred
- b** incurred solely to expedite the completion of the Contract Works or any part of the Contract Works at an earlier date than would have been attained had the Damage not occurred
- c** incurred in redesigning altering adding to or improving the Contract Works or rectification of defects or faults or elimination of any deficiencies carried out after the occurrence of the Damage or any increase in the cost as a result of redesigning alteration addition or improvement
- d** or additional cost resulting from any delay due to the inability of the Insured to provide sufficient funds for the repair or replacement of the Contract Works suffering the Damage
- e** in respect of any
 - i** additional insurance premiums
 - ii** management expenses and/or overheads of any kind whatsoever
 - iii** idle time costs in respect of Constructional Plant Temporary Buildings Hired In Plant or labour
 - iv** additional finance charges or legal expenses
 - v** any change from the Contract Works programme which would otherwise have occurred had it not been for the Damage
- f** arising from or in respect of any other consequential losses not specifically provided for in this Extension
- g** incurred which is covered elsewhere in this Policy
- h** arising out of avoidable delay in making good the Damage or completing the Contract Works.

Cover One – Extensions continued

Cover One is extended to cover

12 Munitions of War

Damage to Property Insured anywhere within Great Britain Northern Ireland the Isle of Man and the Channel Islands from or occasioned by the detonation of munitions of war or parts thereof (except for contamination losses or damage following the release of chemical or biological substances) at or in the Vicinity of the Contract Site provided that the presence of such munitions does not result from

- a a state of war current at the time of such Damage
- b an Act of Terrorism

General Exclusion 1 War and Kindred Risks shall not apply to this Extension

Solely in respect of the Extension an Act of Terrorism means: Acts or persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any other government de jure or de facto.

13 Joint Names or Multiple Insureds

indemnity to any party that is required under the terms of the Contract to be a joint named insured to this Policy.

If there is more than one insured party each operating as a separate and distinct entity then cover shall apply in the same manner and to the same extent as if individual policies had been issued to each party.

Provided that

- a the total liability of the Insurers to all of the insured parties collectively shall not exceed the Limit of Liability
- b any payment or payments by the Insurers to any one or more insured party shall reduce to the extent of that payment the Insurers liability to all parties arising from any one event giving rise to a claim under this Policy
- c the insured parties shall at all times preserve any available contractual rights agreements and remedies in the event of Damage
- d the Insurers shall be entitled to avoid liability to or claim damages from any of the insured parties in circumstances of a Vitiating Act
- e the Contract is performed in Great Britain Northern Ireland the Isle of Man or the Channel Islands.

It is however agreed that

- i a Vitiating Act committed by one insured party shall not prejudice the right to indemnity of any other insured party who has an insurable interest and who has not committed a Vitiating Act
- ii the Insurers agree to waive all rights of subrogation which they may have or acquire against any insured party except where the rights of subrogation arise from a Vitiating Act in which circumstances the Insurers may enforce such rights notwithstanding the continuing or former status of the vitiating party as an Insured
- iii unless named in the Schedule as an Insured Party any lenders to the project shall not be entitled to any indemnity under this Policy for Damage in respect of which the Insurers is by reason of a Vitiating Act no longer liable to indemnify any one or more other insured party.

14 Payments on Account

payment as agreed between the Insured and the Insurers in advance of final settlement of a claim under this Policy where the Insurers have admitted liability.

Cover One – Extensions continued

Cover One is extended to cover

15 Roll On/Roll Off Ferry

Damage to Contract Works whilst in transit by scheduled roll on/roll off ferry between Great Britain Northern Ireland the Isle of Man the Channel Islands.

Provided that the liability of the Insurers shall not exceed £150,000.

Cover One Cover Two Cover Three and Cover Four – Exclusion

1 Sea or Air Transit shall not apply to this Extension.

16 Show Property Contents

Damage to the contents contained within show properties constructed by the Insured other than under Contract occurring after Practical Completion

- a** in respect of buildings comprising of flats within a single block
 - i** for a period not exceeding ninety (90) days following Practical Completion of the last flat in that single block of flats or
 - ii** until the date that more specific insurance is initiated on the contents or the building

whichever occurs first.

- b** in respect of other buildings
 - i** until the date of sale occupation or hand over or
 - ii** for a period not exceeding ninety (90) days following Practical Completion of the last building on the Contract Site

whichever occurs first.

Provided that:

- 1** the liability of the Insurers in respect of the contents of any one show house or show flat or show office shall not exceed £50,000
- 2** loss or damage due to theft or attempted theft is excluded unless entry to or exit from the building is gained by forcible and violent means
- 3** during the period from 1st December to 1st March an effective heating system shall be left on at all times or the water system drained
- 4** nothing in this Extension shall be deemed to extend the insurance beyond the date of expiration of the Policy.

17 Sub-contract Works

Damage to any Contract Works for which the Insured is acting as the Contractor to the effect that reference under **Cover One** paragraph **b. i.** herein to a certificate of completion or taking over certificate will be considered not to apply to a certificate of completion or taking over certificate issued in respect of sub-contract work or works where such a certificate or taking over certificate is issued among other things to transfer responsibility for such work or works to the Insured.

18 Reduction of Environmental Impact

the additional cost reasonably incurred by the Insured in replacing Contract Works lost or damaged beyond repair with alternative equipment which performs the same primary functions but reduces the environmental impact of ownership and/or use.

The additional cost incurred includes but is not limited to replacing the Contract Works with property that uses

- a** less power and/or
- b** consumable materials more efficiently

than the Contract Works lost or damaged.

Provided that the total liability of the Insurers for loss or damage and additional cost shall not exceed the lesser of

- i** one hundred and ten percent (110%) of the cost of replacement had the additional cost not been incurred or
- ii** the maximum Contract Value shown in the Schedule.

Cover One – Extensions continued

Cover One is extended to cover

19 Marine Insurance

Property Insured which is also insured under any separate marine cargo insurance which has been effected by or on behalf of the Insured

Provided that

- a** the Insured hereby undertakes to inspect each item of Property Insured upon arrival at the site of the Contract Works for possible Damage sustained during transit
- b** in the case of unpacked goods where Damage is evident such Damage is to be reported under the marine cargo insurance
- c** in the case of packed goods which are left in their packaging until a later date the packaging is to be visually inspected for signs of possible Damage to the goods and should any sign of Damage be visible the goods themselves are to be unpacked and inspected and any Damage discovered is to be reported under the marine cargo insurance
- d** when the packaging shows no sign of Damage and the goods are therefore left packed any Damage discovered when they are unpacked will be assumed to have occurred during transit covered under the marine cargo insurance unless there is clear evidence from the nature of such Damage that it could only have occurred after expiry of the marine cargo insurance in the event that no clear evidence can be found to establish when such Damage was caused the settlement of the loss will be shared equally between the marine cargo insurance and the Insurers
- e** it is understood and agreed that if the applicable Excess under this Policy and any marine cargo insurance are different the Insurers under each insurance shall deduct fifty percent (50%) of its appropriate Excess or deductible from its share of the adjusted claim
- f** it is understood and agreed that this Extension only applies in circumstances where there is a similar Clause or condition contained within the marine cargo insurance.

Claims Condition 4 Other Insurances shall not apply to this Extension.

Cover One – Optional Extension

The following optional Extension shall apply when Clause Z/1633 is included in the Schedule containing full detail of the Cover provided.

1 Existing Structures or Other Property

Cover One is extended to cover Damage to Existing Structures or Other Property at the site of the Contract Works caused directly by or arising directly from the Business Activity.

Provided that:

- a** the Insurers will not indemnify the Insured for
 - i** Damage which is foreseeable having regard to the nature of the Business Activity and/or the manner of its execution
 - ii** the cost of loss prevention or minimisation measures which become necessary during the Period of Insurance
- b** the Insurers will only indemnify the Insured for Damage if prior to commencement of the Contract Works Programme all necessary measures to ensure the safety of the Existing Structures or Other Property have been taken and where necessary remain in place during the Period of Insurance
- c** the total new replacement value of the Insured's Existing Structures or Other Property is declared to the Insured under the terms of **General Condition 8** Declaration and Adjustment of Premium.

Cover One – Exclusion 2 Existing Property does not apply to this Extension.

Definitions

Existing Structures or Other Property

For the purposes of this Extension Existing Structures or Other Property shall mean property belonging to the Insured and detailed under Z/1633.

Damage

Solely for the purposes of this Extension the definition of Damage is restated under Z/1633.

Cover One – Exclusions

Cover One does not cover

1 Defective Design Material or Workmanship

Damage and the cost necessary to replace repair or rectify

- a Property Insured which is in a defective condition due to a defect in design plan specification materials or workmanship of such Property Insured or any part thereof
- b Property Insured Damaged to enable the replacement repair or rectification of Property Insured excluded by a above.

Paragraph a above shall not apply to other Property Insured which is free of the defective condition but is Damaged in consequence thereof.

For the purposes of this Policy and not merely this Exclusion the Property Insured shall not be regarded as Damaged solely by virtue of the existence of any defect in design plan specification materials or workmanship in the Property Insured or any part thereof.

2 Existing Property

Damage to any property including that being altered or repaired forming or which has formed part of any existing structure prior to the commencement of the Contract Works other than materials supplied and delivered for incorporation in the works.

3 Breakdown or Explosion

Damage cost or legal liability consisting of or in consequence of damage to any part of the Property Insured caused by its own electrical or mechanical breakdown or explosion.

4 Contract Conditions

Damage for which a party other than the Insured or any other insured party is required to arrange insurance under conditions of contract.

5 Wear and Tear or Deterioration

the cost of rectification of wear and tear erosion corrosion or other deterioration caused by or naturally resulting from ordinary work use or exposure but not Damage insured by this Policy resulting from such occurrence unless otherwise excluded.

6 Excess

the amount stated in the Schedule as the Excess for **Cover One** in respect of each and every occurrence for which the Insured is indemnified by this Policy.

Provided that

- a all claims under **Cover One Cover Two** and **Cover Three** arising from one occurrence of Damage shall be adjusted as one claim and from the amount of such adjusted claim there shall be deducted the relevant sum stated in the Schedule as the applicable Excess
- b in the event of Damage occurring under **Cover One** or under **Cover One** and **Cover Two** and/or **Cover Three** arising from the same occurrence of Damage whereby more than one amount is shown in the Schedule as the applicable Excess the Insured may at their option have the relevant Excess applied
 - i separately to each defined category of Property Insured or
 - ii as the single highest applicable Excess for the relevant risk.

Cover One – Conditions

1 Series Loss

If the development or discovery of a defect in any part of the Contract Works shall indicate that a similar defect exists elsewhere in the Contract Works the Insured shall immediately investigate and if necessary rectify the defects in any Contract Works insured under this Policy at their own expense or alternatively bear the cost of all Damage arising out of the defect.

2 Consecutive Damage

For the purpose of interpreting the application of **Cover One – Exclusion 6** Excess Damage to Property Insured at any one location by storm tempest or flood earthquake subsidence or collapse in any one continuous period of seventy two (72) hours shall be dealt with as one accident or series of accidents arising from one occurrence. The commencement of any such seventy two (72) hour period shall be decided at the option of the Insured it being agreed that there will be no overlapping of any two (2) or more such periods and provided no period commences earlier than the date and time of the happening of the first recorded individual loss or damage.

3 Alteration in Risk

The Insured must notify the Insurers as soon as possible if during the Period of Insurance

- a the business is wound up or carried on by a liquidator or receiver or permanently discontinued
- b the interest of the Insured ceases other than by death
- c there is any alteration to the facts or matters set out in the Schedule or otherwise comprising the risk presentation made by the Insured to the Insurers at inception renewal or variation of this Policy which materially increases the risk of loss damage or legal liability.

Upon being notified of any such alteration the Insurers may at their absolute discretion

- i continue to provide cover under this Policy on the same terms
- ii restrict the cover provided by this Policy
- iii impose additional terms
- iv alter the premium
- v cancel this policy.

If the Insured fails to notify the Insurers of any such alteration of the risk the Insurers may

- 1 treat 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 Insurers would have cancelled the Policy had they known of the increase in risk
- 2 treat 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 Insurers would have applied had they known of the increase in risk
- 3 reduce proportionately the amount paid or payable on any claim the proportion for which the Insurers are liable being calculated by comparing the premium actually charged as a percentage of the premium which the Insurers would have charged had they known of the increase in risk.

Cover Two – Owned Plant and Machinery

Damage to

- a** Constructional Plant and
- b** Temporary Buildings

in use in transit or in temporary storage all in connection with the Contract Works anywhere in the Territorial Limits occurring during the Period of Insurance.

Provided that where Constructional Plant or Temporary Buildings have been loaned or hired out insurance under **Cover Two** is conditional on the terms of the loan or hire

- i** being no less onerous than Model Conditions for the hiring of Plant approved by The Construction Plant-hire Association or The Scottish Plant Owners Association Model Conditions and
- ii** applying during transit to and while at the site until returned to or collected by the Insured.

Cover Two – Limit of Liability

The liability of the Insurers shall not exceed in respect of
Constructional Plant and Temporary Buildings

a the Limits of Liability shown in the Schedule

Provided that the liability of the Insurers for any individual item of
Property Insured shall not exceed

- i** the market value of the item at the time of the loss or damage
or
- ii** where the date of purchase as new was less than twenty four
(24) months prior to the loss or damage and for which liability
is accepted the basis upon which the amount payable is to be
calculated shall be the Reinstatement of the Property Insured
lost destroyed or damaged.

Provided that

- 1** the liability of the Insurers shall not exceed the Limits of
Liability under this Policy
- 2** where the Property Insured is damaged or destroyed in
part only the liability of the Insurers shall not exceed the
amount which would have been payable had the Property
Insured been totally destroyed
- 3** no payment beyond that which would have been payable
if Reinstatement did not apply shall be made
 - i** unless the work of reinstatement is commenced and
carried out without necessary delay or
 - ii** if at the time of any loss or damage the Property
Insured shall be covered by any other insurance
effected by or on behalf of the Insured which is not on
a Reinstatement basis
- 4** where by reason of the above provisions no payment is to
be made beyond the amount which would have been
payable if Reinstatement did not apply the rights and
liabilities of the Insurers and the Insured in respect of the
loss or damage shall be subject to the terms of this Policy
as if Reinstatement had not been incorporated

and in addition

b any amounts shown in the Extensions

in respect of any one accident or series of accidents arising from one
occurrence of Damage.

Cover Two – Extensions

Cover Two is extended to cover

1 Damage to Security Devices

the cost incurred in repairing or replacing any immobiliser locating tracking or other security device permanently fitted to the Property Insured following Damage due to theft or attempted theft for which the Insurers have admitted liability.

Provided that

- a the liability of the Insurers shall not exceed £2,500
- b **Cover Two – Exclusion 8** Excess does not apply to this Extension.

2 Loss of Keys

the cost incurred in replacing the lock cylinder of any security device permanently fitted to any Property Insured following Damage to the keys operating the security device.

Provided that

- a the liability of the Insurers shall not exceed £2,500
- b **Cover Two – Exclusion 8** Excess does not apply to this Extension.

3 Repair Cost Investigation

the cost incurred in repair investigations and tests by consulting engineers following Damage to Property Insured for which the Insurers have admitted liability.

Provided that

- a the prior written agreement of the Insurers has been obtained
- b the liability of the Insurers shall not exceed £25,000
- c the Insurers shall not be liable under this Extension for any cost incurred in preparing a claim under this Policy.

4 Payments on Account

payment as agreed between the Insured and the Insurers in advance of final settlement of a claim under this Policy where the Insurers have admitted liability.

5 Avoidance of Impending Damage

the cost incurred by the Insured in taking exceptional measures that are reasonable to avoid or reduce impending Damage which would have resulted in a claim under this Policy.

Provided that

- a the impending Damage did not arise from any defect in the Property Insured
- b the impending Damage did not arise from a reasonably foreseeable cause
- c the Damage would have been the natural outcome to be expected in the absence of the measures taken
- d the Insurers are satisfied that Damage which would have been insured under this Policy has been avoided or reduced in consequence of the measures taken
- e the liability of the Insurers shall not exceed the cost which would have been incurred had the measures not been taken and Damage insured by this Policy had occurred.

6 Recovery of Immobilised Plant

the cost of recovery of any mobile item of Property Insured which becomes unintentionally and accidentally immobilised due to adverse ground conditions.

Provided that all reasonable precautions are taken

- a to prevent immobilisation where it is known that ground conditions are such that unintentional and accidental immobilisation is possible
- b in the planning and execution of recovery.

The limit of liability under this Extension shall not exceed the lesser of

- i the market value of the item at the time of immobilisation or
- ii £25,000

The Insurers will not pay under this Extension for any cost in respect of

- 1 any item situated underground or situated in or under water
- 2 immobilisation caused directly or indirectly by the items own electrical or mechanical breakdown or its own explosion
- 3 immobilisation caused directly or indirectly by failure to maintain Property Insured in accordance with the manufacturers and/or suppliers requirements and recommendations
- 4 avoidable loss or damage caused by or during the process of recovery.

Cover Two – Extensions continued

Cover Two is extended to cover

7 Additional Cost (Supplementary Expenses)

necessary and reasonable cost incurred by the Insured following Damage insured by this Policy in effecting a temporary repair or expediting a permanent repair.

Provided that

- a the written agreement of the Insurers has been obtained
- b the liability of the Insurers shall not exceed £10,000.

8 CPA Contract Lift

the liability of the Insured under Construction Plant-hire Association Contract Lift Conditions for Damage to

- a Property Insured under **Cover Two**
- b Contract Goods not forming part of Property Insured provided that the Insured is the Client.

Provided that

- i where the Insured is the Client they shall declare to the Insurer the total Contract Price paid for Contract Lifting Services during the Period of Insurance in accordance with **General Condition 9** Declarations
- ii the total liability under **Cover Two** for
 - 1 Property Insured shall not exceed the Limit of Liability shown in the Schedule
 - 2 Contract Goods shall not exceed £25,000.

The Insurer will not pay under this Extension for any cost in respect of Damage to the Contract Goods for which the company or firm agreeing to carry out the Contract Lifting Services including its assignees successors and personal representatives are liable.

Definitions

For the purposes of this Extension the words Contract Goods Client Contract Price Contract Lifting Services and Contract Equipment carry the same definition attached to them in the Construction Plant-hire Association Contract Lift Conditions 2004 including any subsequent amendments or revisions.

9 Protection and Removal

the necessary and reasonable cost incurred by the Insured following Damage insured by this Policy for which the Insurers have admitted liability in the protection and removal of Property Insured to a location agreed by the Insurers and the transportation to the Insured after repairs.

10 Roll On\Roll Off Ferry

Damage to Property Insured whilst in transit by roll on/roll off ferry between Great Britain Northern Ireland the Isle of Man the Channel Islands.

Provided that the liability of the Insurers shall not exceed £150,000 in respect of any one occurrence of Damage.

Cover One Cover Two Cover Three and Cover Four – Exclusion

1 Sea or Air Transit shall not apply to this Extension.

11 Munitions of War

Damage to Property Insured anywhere within Great Britain Northern Ireland the Isle of Man and the Channel Islands from or occasioned by the detonation of munitions of war or parts thereof (except for contamination losses or damage following the release of chemical or biological substances) at or in the Vicinity of the Contract Site provided that the presence of such munitions does not result from

- a a state of war current at the time of such Damage
- b an Act of Terrorism

General Exclusion 1 War and Kindred Risks shall not apply to this Extension

Solely in respect of the Extension an Act of Terrorism means:

Acts or persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any other government de jure or de facto.

12 Signwriting and Livery

the necessary and reasonable cost incurred by the Insured for restoring any signwriting advertising signs and artwork following Damage insured by this Policy for which the Insurers have admitted liability.

Provided that the liability of the Insurers shall not exceed £5,000.

13 Indemnity to Principal

any Principal to the extent that a contract between the Insured and the Principal so requires.

Cover Two – Exclusions

Cover Two does not cover

1 Breakdown or Explosion

Damage to the Property Insured caused by its own electrical or mechanical breakdown or its own explosion.

2 Excluded Parts and Components

Damage to cutting edges machine tools trailing cables flexible pipes driving belts and chains or conveyor bands unless accompanied by Damage to the complete item.

3 Materials Processed or Foreign Bodies

Damage caused by materials processed or treated by the Property Insured or foreign bodies entering the Property Insured with the materials.

4 Tyres

Damage to tyres by the application of brakes or by punctures cuts or bursts.

5 Maintenance Faulty Workmanship or Application of Tools

the cost of

- a maintenance
- b rectification of faulty workmanship occurring during the execution of repairs

but not Damage resulting from **a** or **b** unless otherwise excluded

- c Damage caused by the direct application of tools.

6 Overloading or Abnormal Conditions

Damage to any item of

- a Constructional Plant or Temporary Buildings caused by or arising from the imposition of abnormal conditions deliberate overloading or overload testing other than overload testing in accordance with the Code of Practice for the Safe Use of Cranes BS7121 including any subsequent amendments or revisions
- b Constructional Plant during overload testing in accordance with the Code of Practice for the Safe Use of Cranes BS7121 including any subsequent amendments or revisions and caused by or arising from a defect in the item.

7 Wear and Tear or Gradual Deterioration

the cost of rectification of

- a wear and tear erosion corrosion or other deterioration caused by or naturally resulting from ordinary work use or exposure
- b gradually developing flaws or fractures which do not necessitate immediate stoppage

but not Damage insured by this Policy resulting from **a** or **b** unless otherwise excluded.

8 Excess

the amount stated in the Schedule as the Excess for **Cover Two** in respect of each and every occurrence for which the Insured is indemnified by this Policy.

Provided that

- a all claims under **Cover One Cover Two** and **Cover Three** arising from one occurrence of Damage shall be adjusted as one claim and from the amount of such adjusted claim there shall be deducted the relevant sum stated in the Schedule as the applicable Excess
- b in the event of Damage occurring under **Cover One** or under **Cover One** and **Cover Two** and/or **Cover Three** arising from the same occurrence of Damage whereby more than one amount is shown in the Schedule as the applicable Excess the Insured may at their option have the relevant Excess applied
 - i separately to each defined category of Property Insured or
 - ii as the single highest applicable Excess for the relevant risk.

Cover Two – Conditions

1 Alteration in Risk

The Insured must notify the Insurers as soon as possible if during the Period of Insurance

- a** the business is wound up or carried on by a liquidator or receiver or permanently discontinued
- b** the interest of the Insured ceases other than by death
- c** there is any alteration to the facts or matters set out in the Schedule or otherwise comprising the risk presentation made by the Insured to the Insurers at inception renewal or variation of this Policy which materially increases the risk of loss damage or legal liability.

Upon being notified of any such alteration the Insurers may at their absolute discretion

- i** continue to provide cover under this Policy on the same terms
- ii** restrict the cover provided by this Policy
- iii** impose additional terms
- iv** alter the premium
- v** cancel this policy.

If the Insured fails to notify the Insurers of any such alteration of the risk the Insurers may

- 1** treat 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 Insurers would have cancelled the Policy had they known of the increase in risk
- 2** treat 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 Insurers would have applied had they known of the increase in risk
- 3** reduce proportionately the amount paid or payable on any claim the proportion for which the Insurers are liable being calculated by comparing the premium actually charged as a percentage of the premium which the Insurers would have charged had they known of the increase in risk.

Cover Three – Hired In Plant

The Insured's legal liability under the terms of their hiring agreement or otherwise to pay

- a** compensation for Damage to Hired In Plant anywhere in the Territorial Limits during the Period of Insurance
- b** continuing hire charges as a result of Damage to Hired In Plant for which indemnity is provided by **a** above.

In addition the Insurers will pay all legal expenses for which the Insured may be liable where legal proceedings have been defended with the written consent of the Insurers.

Provided that the liability of the Insurers under **Cover Three** for Damage to Hired in Plant while loaned or hired out is conditional on the terms of the agreement under which the loan or hiring out takes place being no less onerous than the terms under which the Hired In Plant has been hired by the Insured unless otherwise agreed by the Insurers.

Cover Three – Limit of Liability

The liability of the Insurers shall not exceed

- a** the Limit of Liability shown in the Schedule
and in addition
- b** any amounts shown in the Extensions

in respect of any one accident or series of accidents arising from one occurrence of Damage.

Cover Three – Extensions

Cover Three is extended to cover

1 Payments on Account

payment as agreed between the Insured and the Insurers in advance of final settlement of a claim under this Policy where the Insurers have admitted liability.

2 Avoidance of Impending Damage

the cost incurred by the Insured in taking exceptional measures that are reasonable to avoid or reduce impending Damage which would have resulted in a claim under this Policy.

Provided that

- a** the impending Damage did not arise from any defect in the Property Insured
- b** the impending Damage did not arise from a reasonably foreseeable cause
- c** the Damage would have been the natural outcome to be expected in the absence of the measures taken
- d** the Insurers are satisfied that Damage which would have been insured under this Policy has been avoided or reduced in consequence of the measures taken
- e** the liability of the Insurers shall not exceed the cost which would have been incurred had the measures not been taken and Damage insured by this Policy had occurred.

3 Recovery of Immobilised Plant

the cost of recovery of any mobile item of Property Insured which becomes unintentionally and accidentally immobilised due to adverse ground conditions.

Provided that all reasonable precautions are taken

- a** to prevent immobilisation where it is known that ground conditions are such that unintentional and accidental immobilisation is possible
- b** in the planning and execution of recovery.

The limit of liability under this Extension shall not exceed the lesser of

- i** the market value of the item at the time of immobilisation or
- ii** £25,000

The Insurers will not pay under this Extension for any cost in respect of

- 1** any item situated underground or situated in or under water
- 2** immobilisation caused directly or indirectly by the items own electrical or mechanical breakdown or its own explosion
- 3** immobilisation caused directly or indirectly by failure to maintain Property Insured in accordance with the manufacturers and/or suppliers requirements and recommendations
- 4** avoidable loss or damage caused by or during the process of recovery.

4 Additional Cost (Supplementary Expenses)

necessary and reasonable cost incurred by the Insured following Damage insured by this Policy in effecting a temporary repair or expediting a permanent repair.

Provided that

- a** the written agreement of the Insurers has been obtained
- b** the liability of the Insurers shall not exceed £10,000.

Cover Three – Extensions continued

Cover Three is extended to cover

5 CPA Contract Lift Cover

the liability of the Insured under Construction Plant-hire Association Contract Lift Conditions for Damage to

- a Property Insured under **Cover Three**
- b Contract Goods not forming part of Property Insured provided that the Insured is the Client.

Provided that

- i where the Insured is the Client they shall declare to the Insurer the total Contract Price paid for Contract Lifting Services during the Period of Insurance in accordance with **General Condition 9** Declarations
- ii the total liability under **Cover Three** for
 - 1 Property Insured shall not exceed the Limit of Liability shown in the Schedule
 - 2 Contract Goods shall not exceed £25,000.

The Insurer will not pay under this Extension for any cost in respect of Damage to the Contract Goods for which the company or firm agreeing to carry out the Contract Lifting Services including its assignees successors and personal representatives are liable.

Definitions

For the purposes of this Extension

- 1 the Definition of Hired In Plant is extended to include Contract Equipment for which the Insured are responsible under Construction Plant-hire Association Contract Lift Conditions
- 2 the words Contract Goods Client Contract Price Contract Lifting Services and Contract Equipment carry the same definition attached to them in the Construction Plant-hire Association Contract Lift Conditions 2004 including any subsequent amendments or revisions.

6 Protection and Removal

the necessary and reasonable cost incurred by the Insured following Damage insured by this Policy for which the Insurers have admitted liability in the protection and removal of Property Insured to a location agreed by the Insurers and the transportation to the Insured after repairs.

7 Roll On\Roll Off Ferry

Damage to Property Insured whilst in transit by roll on/roll off ferry between Great Britain Northern Ireland the Isle of Man the Channel Islands.

Provided that the liability of the Insurers shall not exceed £150,000 in respect of any one occurrence of Damage.

Cover One Cover Two Cover Three and Cover Four – Exclusion

- 1 Sea or Air Transit shall not apply to this Extension.

8 Munitions of War

Damage to Property Insured anywhere within Great Britain Northern Ireland the Isle of Man and the Channel Islands from or occasioned by the detonation of munitions of war or parts thereof (except for contamination losses or damage following the release of chemical or biological substances) at or in the Vicinity of the Contract Site provided that the presence of such munitions does not result from

- a a state of war current at the time of such Damage
- b an Act of Terrorism

General Exclusion 1 War and Kindred Risks shall not apply to this Extension

Solely in respect of the Extension an Act of Terrorism means:

Acts or persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any other government de jure or de facto.

9 Indemnity to Principal

any Principal to the extent that a contract between the Insured and the Principal so requires.

Cover Three – Exclusions

Cover Three does not cover

1 Tyres

Damage to tyres by the application of brakes or by punctures cuts or bursts.

2 Overloading or Abnormal Conditions

Damage to any item of Hired In Plant

- a caused by or arising from the imposition of abnormal conditions deliberate overloading or overload testing other than overload testing in accordance with the Code of Practice for the Safe Use of Cranes BS7121 including any subsequent amendments or revisions
- b during overload testing in accordance with the Code of Practice for the Safe Use of Cranes BS7121 including any subsequent amendments or revisions and caused by or arising from a pre-existing defect in the item.

3 Wear and Tear or Gradual Deterioration

the cost of rectification of

- a wear and tear erosion corrosion or other deterioration caused by or naturally resulting from ordinary work use or exposure
- b gradually developing flaws or fractures which do not necessitate immediate stoppage

but not Damage insured by this Policy resulting from **a** or **b** unless otherwise excluded.

4 Excess

the amount stated in the Schedule as the Excess for **Cover Three** in respect of each and every occurrence for which the Insured is indemnified by this Policy.

Provided that

- a all claims under **Cover One Cover Two** and **Cover Three** arising from one occurrence of Damage shall be adjusted as one claim and from the amount of such adjusted claim there shall be deducted the relevant sum stated in the Schedule as the applicable Excess.
- b in the event of Damage occurring under **Cover One** or under **Cover One** and **Cover Two** and/or **Cover Three** arising from the same occurrence of Damage whereby more than one amount is shown in the Schedule as the applicable Excess the Insured may at their option have the relevant Excess applied
 - i separately to each defined category of Property Insured or
 - ii as the single highest applicable Excess for the relevant risk.

Cover Three – Conditions

1 Alteration in Risk

The Insured must notify the Insurers as soon as possible if during the Period of Insurance

- a** the business is wound up or carried on by a liquidator or receiver or permanently discontinued
- b** the interest of the Insured ceases other than by death
- c** there is any alteration to the facts or matters set out in the Schedule or otherwise comprising the risk presentation made by the Insured to the Insurers at inception renewal or variation of this Policy which materially increases the risk of loss damage or legal liability.

Upon being notified of any such alteration the Insurers may at their absolute discretion

- i** continue to provide cover under this Policy on the same terms
- ii** restrict the cover provided by this Policy
- iii** impose additional terms
- iv** alter the premium
- v** cancel this policy.

If the Insured fails to notify the Insurers of any such alteration of the risk the Insurers may

- 1** treat 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 Insurers would have cancelled the Policy had they known of the increase in risk
- 2** treat 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 Insurers would have applied had they known of the increase in risk
- 3** reduce proportionately the amount paid or payable on any claim the proportion for which the Insurers are liable being calculated by comparing the premium actually charged as a percentage of the premium which the Insurers would have charged had they known of the increase in risk.

Cover Four – Advanced Business Interruption

Definitions

1 Indemnity Period

The period beginning with the date on which but for the interruption or interference the scheduled start of commercial operation or sale of the Enterprise would have taken place and ending not later than the Indemnity Period shown in the Schedule during which the results of the Enterprise shall be affected by the interruption or interference and subject to the Time Exclusion shown in the Schedule.

2 Time Exclusion

The period beginning with the date on which but for the interruption or interference the scheduled start of commercial operation or sale of the Enterprise would have taken place and ending not later than the Time Exclusion period shown in the Schedule during which

- a** the Insured shall bear all direct or indirect Financial Loss or cost and
- b** the Insurers shall not be liable for direct or indirect Financial Loss or cost.

Cover

The Financial Loss of the Insured resulting from interruption or interference with the Contract Works Programme which causes delay in the scheduled start of commercial operation or sale of the Enterprise during the Indemnity Period in consequence of an Accident.

Provided that

- 1** payment has been made or liability admitted for the Accident or
- 2** payment would have been made or liability admitted for the Accident but for the operation of the Excess.

The Basis of Settlement for **Cover Four** shall be either

- Option A** Advanced Loss of Gross Profit or
- Option B** Advanced Loss of Gross Revenue or
- Option C** Advanced Loss of Gross Rent or
- Option D** Loss of Bank Interest

whichever is shown in the Schedule.

Cover Four – Limit of Liability

The liability of the Insurers in respect of Financial Loss shall not exceed the amount shown in the Schedule in respect of any one accident or series of accidents arising from one occurrence.

Automatic Reinstatement of the Limit of Liability

Payment made by the Insurers under **Cover Four** shall not reduce the Limit of Liability stated shown in the Schedule but the Insured shall pay to the Insurers on request an additional premium to be agreed for such automatic reinstatement of cover.

Cover Four – Basis of Settlement

Option A – Advanced Loss of Gross Profit

Financial Loss means

- i in respect of reduction in Turnover the sum produced by applying the Anticipated Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the interruption or interference fall short of the Anticipated Turnover
- ii in respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the interruption or interference but not exceeding the sum produced by applying the Anticipated Rate of Gross Profit to the amount of reduction in Turnover avoided by the additional expenditure incurred

less any sum saved during the Indemnity Period in respect of the charges and expenses as may cease or be reduced in consequence of the interruption or interference.

Definitions

Anticipated Rate of Gross Profit

The rate of Gross Profit which had the interruption or interference not occurred would have been earned on Turnover during the Indemnity Period.

Anticipated Turnover

The Turnover which had the interruption or interference not occurred would have been achieved during the twelve (12) months after the scheduled date of commencement of commercial operation (proportionately increased where the Indemnity Period exceeds twelve (12) months).

Note

Adjustments shall be made to the figures representing the Anticipated Rate of Gross Profit and Anticipated Turnover as may be necessary to provide for the trend in the Enterprise and for variations in or other circumstances affecting the business either before or after the interruption or interference or which would have affected the business had the interruption or interference not occurred so that the adjusted figures shall represent as nearly as may be practicable the results which but for the interruption or interference would have been obtained.

Gross Profit

The amount by which the sum of the Turnover and the value of the closing stock shall exceed the sum of the opening stock and the amount of the Uninsured Working Expenses.

Notes

- i The values of the opening and the closing stocks shall be arrived at in accordance with the normal accountancy methods of the Insured due provision being made for depreciation.
- ii The words and expressions used in this Definition shall have the meaning usually attached to them in the books and accounts of the Insured.

Turnover

The money paid or payable to the Insured for goods sold and for services rendered in the course of the commercial operation of the Enterprise.

Uninsured Working Expenses

All expenses which vary in direct proportion to any variation in Turnover.

Cover Four – Basis of Settlement continued

Option B – Advanced Loss of Gross Revenue

Financial Loss means

- i** in respect of loss of Gross Revenue the amount by which the Gross Revenue during the Indemnity Period in consequence of the interruption or interference falls short of the Anticipated Gross Revenue
- ii** in respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the interruption or interference but not exceeding the amount of the loss thereby avoided

less any sum saved during the Indemnity Period in respect of the charges and expenses as may cease or be reduced in consequence of the interruption or interference.

Definitions

Anticipated Gross Revenue

The Revenue which had the interruption or interference not occurred would have been achieved during the twelve (12) months after the scheduled date of commencement of commercial operation (proportionately increased where the Indemnity Period exceeds twelve (12) months).

Gross Revenue

The money paid or payable to the Insured for services rendered in the course of the commercial operation of the Enterprise.

Note

Adjustments shall be made to the figures representing the Revenue and Anticipated Gross Revenue as may be necessary to provide for the trend in the Enterprise and for variations in or other circumstances affecting the business either before or after the interruption of interference or which would have affected the business had the interruption or interference not occurred so that the adjusted figures shall represent as nearly as may be practicable the results which but for the interruption of interference would have been obtained.

Option C – Advanced Loss of Gross Rent

Financial Loss means

- i** in respect of loss of Gross Rent the amount by which the Gross Rent during the Indemnity Period in consequence of the interruption or interference falls short of the Anticipated Gross Rent
- ii** in respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Rent which but for that expenditure would have taken place during the Indemnity Period in consequence of the interruption or interference but not exceeding the amount of the loss thereby avoided

less any sum saved during the Indemnity Period in respect of the charges and expenses as may cease or be reduced in consequence of the interruption or interference.

Definitions

Anticipated Gross Rent

The Gross Rent which had the interruption or interference not occurred would have been achieved during the twelve (12) months after the scheduled date of commencement of commercial operation (proportionately increased where the Indemnity Period exceeds twelve (12) months).

Gross Rent

The money paid or payable to the Insured by tenants for rent in the course of the commercial operation of the Enterprise.

Note

Adjustments shall be made to the figures representing the Gross Rent and Anticipated Gross Rent as may be necessary to provide for the trend in the Enterprise and for variations in or other circumstances affecting the business either before or after the interruption of interference or which would have affected the business had the interruption or interference not occurred so that the adjusted figures shall represent as nearly as may be practicable the results which but for the interruption of interference would have been obtained.

Cover Four – Basis of Settlement continued

Option D - Loss of Bank Interest

Financial Loss means

In consequence of interruption or interference

- i** the additional interest incurred on capital borrowed to finance the Contract Works during the Indemnity Period
- ii** the loss in respect of acquisition costs and associated expenses of raising (or extending) the loans referred to in **i** above the amount payable being the actual amount of such expenditure

and/or

the investment interest lost by the use of the Insureds own funds to finance the Contract Works during the Indemnity Period

- iii** in respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss otherwise payable which but for that expenditure would have taken place during the Indemnity Period in consequence of the interruption or interference but not exceeding the amount of the loss thereby avoided

less any sum saved during the Indemnity Period in respect of the charges and expenses as may cease or be reduced in consequence of the interruption or interference.

Cover Four – Extensions

Cover Four is extended to cover

1 Professional Accountants Fees

the reasonable cost payable by the Insured to professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the Insurers under the terms of any Condition of this Policy and reporting that such particulars or details are in accordance with the Insureds books of account or other business books or documents.

Any particulars or details contained in the Insureds books of accounts or other business books or documents which may be required by the Insurers under any Condition of this Policy for the purpose of investigating or verifying any claim made under this Policy may be produced by professional accountants if at the time they are regularly acting as such for the Insured and their report shall be prima facie evidence of the particulars and details to which such a report relates.

Provided that the amount payable under this Extension and the amount otherwise payable under **Cover Four** shall not exceed in respect of any one

- a accident or series of accidents arising from one occurrence or
- b occurrence or series of occurrences of a Specified Event insured by **Cover Four Extension 2 Denial of Access**

the Limit of Liability shown in the Schedule for **Cover Four**.

2 Denial of Access

the Financial Loss of the Insured resulting from interruption or interference with Contract Works Programme which causes delay in the scheduled start of commercial operation or the sale of the Enterprise during the Indemnity Period in consequence of not being able to remain on or gain access to the site of the Contract Works as a direct result of a Specified Event.

Provided that the Insurers liability under this Extension after the application of all other terms and Conditions of this Policy shall not exceed

- i the amount shown in the Schedule in respect of any one occurrence or series of occurrences of a Specified Event insured by this Extension
- ii the amount shown in the Schedule during the Period of Insurance.

Cover Four – Exclusions

Cover Four does not cover direct or indirect Financial Loss or cost

1 Inevitable Damage

which would have been incurred irrespective of whether the Damage or other insured event had occurred.

2 Early Completion

incurred solely to expedite the completion of the Contract Works or any part thereof at an earlier date than would have been attained had the said Damage or other insured event not occurred.

3 Redesign Alteration Addition and Improvement

incurred in redesigning altering adding to or improving permanent or temporary works or rectification of defects or faults or elimination of any deficiencies carried out after the occurrence or any Financial Loss as a result of such redesigning alteration addition or improvement.

4 Insufficient Funds

resulting from any delay due to the inability of the Insured to provide sufficient funds for the repair or replacement of the permanent or temporary works suffering Damage.

5 Idle Time Cost

resulting from idle time cost in respect of Constructional Plant Temporary Buildings Hired In Plant or labour.

6 Other Consequential Losses

- a arising from or in respect of any other consequential losses not specifically provided for under **Cover Four**
- b incurred which is specified elsewhere in this Policy
- c which is recoverable from the Contractors or sub-contractors under the terms of the Contract
- d arising out of Damage at suppliers or manufacturers premises.

7 Time Exclusion

incurred during the Time Exclusion period shown in the Schedule.

8 Wear and Tear or Gradual Deterioration

- a inevitable wear and tear erosion corrosion or other deterioration caused by or naturally resulting from ordinary work use or exposure
- b gradually developing flaws or fractures which do not necessitate immediate stoppage

but not Financial Loss in consequence of Damage resulting from **a** or **b** unless otherwise excluded.

Cover Four – Conditions

1 Contract Works Programme

The Insured shall at their own expense

- a prior to commencement of the Period of Insurance provide the Insurers with a copy of the Contract Works Programme
- b during the course of the Contract provide the Insurers with a further copy of the Contract Works Programme whenever it is amended or revised in any way which has the effect of altering the scheduled date(s) of completion of the Contract Works and
- c when requested by the Insurers provide the reasons for the amendments or revisions and all relevant details which the Insurers may require.

2 Claims Reports

In the event of an Accident occurring for which it is anticipated that a loss may be payable under this Policy (or would be but for the application of any deductible) the Contractor and subcontractors shall be instructed by the Insured to keep a record of the delay which such an Accident causes in completing the Contract Works and of other causes (insured or uninsured) which affect the subsequent course of the completion of the Contract Works Programme and the steps taken to minimise delay.

If such record shows that more than one cause has contributed to the subsequent failure to achieve the scheduled date of completion of the Contract Works then the insurance provided by this Policy shall only pay in proportion to the time lost which is due to the Accident as opposed to any other cause.

3 Occupation of the Contract Works or Parts Thereof

Where the Insurers have given permission for the Insured to occupy any portion of the Contract Works for their own purposes prior to completion of the Contract / Contract Works Programme any income received in this respect by the Insured shall be taken into account in the calculation of the indemnity provided by **Cover Four**.

4 Alternative Trading

If during the Indemnity Period accommodation shall be provided or goods are sold or services rendered elsewhere than at the Enterprise for the benefit of the Enterprise either by the Insured or by others acting on their behalf the money paid or payable for such accommodation goods or services shall be taken into account in arriving at the Financial Loss during the Indemnity Period.

5 Discontinuance of the Employer

If during the Indemnity Period the Employer are wound up or carried on by a liquidator or receiver or permanently discontinued then if the Contract is continued by another party for whom the Insurers have agreed to provide indemnity

- a the liability of the Insurers shall be limited to the amount that would have been payable had the Employer been able to continue the Business Activity
- b the Indemnity Period shall be regarded as ended on the date of such winding up or liquidation or receivership or permanent discontinuance.

6 Alteration in Risk

The Insured must notify the Insurers as soon as possible if during the Period of Insurance

- a the business is wound up or carried on by a liquidator or receiver or permanently discontinued
- b the interest of the Insured ceases other than by death
- c there is any alteration to the facts or matters set out in the Schedule or otherwise comprising the risk presentation made by the Insured to the Insurers at inception renewal or variation of this Policy which materially increases the risk of loss damage cost(s) expenses Financial Loss or legal liability.

Upon being notified of any such alteration the Insurers may at their absolute discretion

- i continue to provide cover under this Policy on the same terms
- ii restrict the cover provided by this Policy
- iii impose additional terms
- iv alter the premium
- v cancel this policy.

Cover Four – Conditions continued

If the Insured fails to notify the Insurers of any such alteration of the risk the Insurers may

- 1** treat 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 Insurers would have cancelled the Policy had they known of the increase in risk
- 2** treat 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 Insurers would have applied had they known of the increase in risk
- 3** reduce proportionately the amount paid or payable on any claim the proportion for which the Insurers are liable being calculated by comparing the premium actually charged as a percentage of the premium which the Insurers would have charged had they known of the increase in risk.

Cover Five – Public Liability

Definitions

1 An Act of Terrorism

An act including but not limited to the use of force or violence and/or threat thereof of any person 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 the intention to influence any government and / or to put the public or any section of the public in fear.

2 Notice of Adjudication

Any notice issued to a party to a contract to which the Housing Grants Construction and Regeneration Act 1996 or any subsequent legislation applies stating an intention to refer a dispute under the contract to adjudication.

3 Pollution or Contamination

- a all Pollution or Contamination of buildings or other structures or of water or land or the atmosphere
- and
- b all Injury 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 such incident takes place.

4 Asbestos

Asbestos or fibres or particles of asbestos or any material containing asbestos.

Cover

a Indemnity to the Insured

The Insurers will indemnify the Insured against legal liability to pay compensation and claimants costs and expenses in respect of accidental

- i Injury to any person
- ii Damage to material property
- iii nuisance trespass obstruction or interference with any right of way light air water or easement
- iv libel slander or defamation of character

occurring within the Territorial Limits during the Period of Insurance in connection with the Business Activity.

In addition the Insurers will pay claimants costs and expenses incurred by the Insured or any other cost or expense with the written consent of the Insurers

- i in connection with the defence of any claim
- ii for representation of the Insured
- 1 at any coroners inquest or fatal accident inquiry in respect of death
- 2 at proceedings in any court of summary jurisdiction or on indictment in any higher court in respect of any alleged breach of statutory duty resulting in Injury or Damage

which may be the subject of indemnity under **Cover Five**.

Cover Five – Limit of Liability

- a** The liability of the Insurers for all compensation payable in respect of
 - i** any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause
 - ii** all Pollution or Contamination which is deemed to have occurred during any one Period of Insurance

shall not exceed the Limit of Liability shown in the Schedule.

- b** In respect of all claims against the Insured made within the legal jurisdiction of the United States of America or Canada or any dependency or trust territory the Limit of Liability shall be inclusive of the amount of all
 - i** claimants costs and expenses
 - ii** costs and expenses incurred by the Insurer or with the written consent of the Insurers in connection with the defence of such claims.
- c** In respect of An Act of Terrorism the Limit of Liability under **Cover Five** shall not exceed the Limit of Liability shown in the Schedule or £5,000,000 whichever is the lesser.

Cover Five – Extensions

(subject to the terms limits conditions and exclusions of this Cover Option and the Policy)

a Indemnity to Other Parties

If the Insured so requests the Insurers will indemnify the following parties

- i** any officer or committee member or other member of the Insureds canteen social sports or welfare organisations or ambulance first aid fire medical or security services against liability incurred in such capacity
- ii** any partner director or Employee of the Insured against liability incurred in such capacity and in respect of which the Insured would have been entitled to indemnity under **Cover Five** if the claim had been made against the Insured

as though each party were individually named as the Insured in **Cover Five**.

- iii** any principal with whom the Insured have agreed to execute work under Contract or agreement against liability arising out of the performance of such work by the Insured and in respect of which the Insured are legally liable and would have been entitled to indemnity under **Cover Five** if the claim had been made against the Insured.

Provided that

- 1** each such party shall observe fulfill and be subject to the terms and conditions of **Cover Five** in so far as they can apply
- 2** the Insurers liability to the Insured and all parties indemnified shall not exceed in total the Limit of Liability specified in the Schedule for **Cover Five**
- 3** the Insurers shall retain sole conduct and control of any claim
- 4** such party shall not be entitled to indemnity under any other policy.

b Joint Insured Cross Liabilities

If more than one party is named as the Insured **Cover Five** shall apply as though each were insured separately.

Provided that the Insurers liability to all parties indemnified shall not exceed in total the Limit of Liability shown in the Schedule for **Cover Five**.

c Overseas Personal Liability

The Business Activity is extended to include personal activities (not connected with any gainful occupation or profession nor with the ownership or tenure of any land or building) of any partner director or Employee of the Insured or family member of such partner director or Employee normally resident within the territories specified in paragraph **a** of the Definition of Territorial Limits in the course of any journey or temporary visit to any other country made in connection with the Business Activity.

d Motor Contingent Liability

The Insurers will indemnify the Insured in the terms of **Cover Five** against liability arising out of the use in connection with the Business Activity of any vehicle not owned provided or being driven by the Insured but **Cover Five** does not cover liability

- i** in respect of Damage to such vehicle or its contents
- ii** arising out of any such use in any country outside the territories specified in paragraph **a** of the Definition of Territorial Limits
- iii** incurred by any party other than the Insured
- iv** incurred by any party identified in Extension **a** (Indemnity to Other Parties) other than an Employee.

For the purpose of this Extension **d Exclusion 1** (Injury to Employees) does not apply.

e Health and Safety at Work - Legal Defence Costs

The Insurers will indemnify the Insured and if the Insured so requests any partner director or Employee of the Insured in the terms of **Cover Five** in respect of

- i** costs and expenses incurred with the Insurers written consent
- ii** costs and expenses of the prosecution awarded against any such party

in connection with criminal proceedings or an appeal against conviction arising from such proceedings brought in respect of any offence under the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 or any regulations made thereunder committed or alleged to have been committed during the Period of Insurance in connection with the Business Activity.

Provided that

- 1** the proceedings relate to the health safety or welfare of any person other than an Employee
- 2** the Insurers shall have the conduct and control of all the said proceedings and appeals.
- 3** the proceedings relate to an actual or alleged incident for which a claim has been made or may be made against the Insured in respect of Injury or Damage occurring during the Period of Insurance for which indemnity is sought under the Policy.

The Insurers will not pay for

- A** fines or penalties of any kind
- B** proceedings or appeals in respect of any deliberate act or omission
- C** costs or expenses insured by any other insurance.

Cover Five – Extensions continued

(subject to the terms limits conditions and exclusions of this Cover Option and the Policy)

f Court Attendance Compensation

If during the Period of Insurance any partner director or Employee of the Insured is required to attend court as a witness at the request of the Insurers in connection with a claim which is the subject of indemnity under **Cover Five** the Insurers will pay compensation to the Insured on the following scale for each day that attendance is required

- i any director or partner £500
- ii any Employee £250

g Contractual Liability

In respect of liability assumed by the Insured by a contract or agreement entered into by the Insured and which would not have attached in the absence of such contract or agreement the indemnity provided by **Cover Five** shall only apply if the sole conduct and control of any claim is vested in the Insurers.

Provided that the Insurers shall not pay for liquidated damages or fines or damages imposed by or payable under any penalty clause.

h Consumer Protection and Food Safety Acts - Legal Defence Costs

The Insurers will indemnify the Insured and if the Insured so request any partner director or Employee of the Insured in the terms of **Cover Five** in respect of legal costs and expenses incurred with the written consent of the Insurers in connection with the defence of any criminal proceedings or an appeal against conviction arising from such proceedings brought in respect of any offence under

- i part 2 of the Consumer Protection Act 1987 or
- ii section(s) 7, 8, 14 and/or 15 of the Food Safety Act 1990

committed or alleged to have been committed during the Period of Insurance in connection with the Business Activity.

Provided that the Insurers shall have the conduct and control of all said proceedings and appeals.

The Insurers will not pay for

- 1 fines or penalties of any kind
- 2 proceedings or appeals in respect of any deliberate act or omission
- 3 costs or expenses insured by any other policy.

i Housing Grants Act

The Insurers will indemnify the Insured against an award (or any part thereof) made in respect of a construction dispute and resulting from an adjudication procedure which complies with the provisions of the Housing Grants Construction and Regeneration Act 1996 or any succeeding legislation.

Provided that

- i indemnity shall only apply to the extent that such an award relates to Damage or liability for which an indemnity is provided by **Cover Five**
- ii any payment made by the Insurers in respect of such an award shall be made without prejudice to any other rights of the Insurer under **Cover Five**
- iii it is a condition precedent to any liability of the Insurers to make any payment under **Cover Five** that where there is a construction contract dispute relating to Damage or liability for which an indemnity is or may be provided by **Cover Five**
 - 1 any Notice of Adjudication received by the Insured shall be forwarded to the Insurers immediately upon receipt
 - 2 the Insured shall provide notice to the Insurers of any intention by them to issue a Notice of Adjudication
 - 3 the Insured shall not accept any award made by an adjudicator to such a dispute as being final without the prior agreement of the Insurers.

Cover Five – Extensions continued

(subject to the terms limits conditions and exclusions of this Cover Option and the Policy)

j Corporate Manslaughter and Corporate Homicide Act 2007

Cover Five extends to indemnify the Insured in respect of

- i** legal costs and expenses incurred with the prior written consent of the Insurer and
- ii** costs of the prosecution awarded against the Insured

in connection with the defence of any criminal proceedings (including any appeal against conviction arising from such proceedings) brought under The Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent legislation in the Channel Islands or the Isle of Man in respect of any fatal injury occurring during the Period of Insurance in the course of the Business Activity and which may be the subject of indemnity under **Cover Five**.

Provided that

- 1** the maximum amount payable under this Extension shall not exceed £5,000,000 during any one Period of Insurance or the Limit of Liability under **Cover Five** as shown in the Schedule whichever is the lesser
- 2** all amounts payable under this Extension will form part of and are not in addition to the Limit of Liability under **Cover Five** as shown in the Schedule
- 3** the Insurers agree details of the specific solicitor or counsel who are to act on behalf of the Insured prior to their appointment.

In respect of this Extension the Insurers will not pay for

- A** any fines or penalties imposed on the Insured or the cost of implementing any remedial order or publicity order
- B** legal costs and expenses in connection with an appeal unless solicitor or counsel advise that there are strong prospects of succeeding in the appeal or recovering costs awarded against the Insured at all times throughout the appeals process. Any change to such prospect of success during the appeals process may result in cover being removed
- C** costs and expenses provided by another source or any other insurance or where but for the existence of this Extension would have been provided by such source or insurance
- D** costs and expenses in connection with the defence of any criminal proceedings brought in any country other than Great Britain Northern Ireland the Channel Islands and the Isle of Man
- E** costs and expenses in connection with the defence of any criminal proceedings resulting from any deliberate or intentional criminal act or omission by the Insured or any partner or director of the Insured or any Employee.

k Defective Premises Act 1972

The Insurers will indemnify the Insured in the terms of **Cover Five** against liability incurred by the Insured under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 or the Defective Premises (Landlords Liability) Act (Northern Ireland) 2001 in connection with premises or land disposed of by the Insured.

Provided that

- i** this Extension does not cover
 - a** the cost of rectifying any damage or defect in the premises or land disposed of
 - b** liability for which the Insured is entitled to indemnity under any other insurance
 - c** the presence of asbestos asbestos fibres or any derivatives of asbestos including any product containing any asbestos fibres or derivatives
- ii** the Injury or Damage giving rise to such legal liability occurs during the Period of Insurance in connection with the Business Activity.

Cover Five – Extensions continued

(subject to the terms limits conditions and exclusions of this Cover Option and the Policy)

I Data Protection Act

The Insurers will indemnify the Insured in relation to a claim made by any person including an Employee for damage or distress occurring as a result of an offence under Section 13 of the Data Protection Act 1998 and any subsequent amending legislation within the United Kingdom and arising in connection with the Business Activity provided that

- i the Insured is a registered user in accordance with the terms of the Data Protection Act 1998 and any subsequent amending legislation
- ii any claim is first made or prosecution first brought against the Insured during the Period of Insurance
- iii the liability of the Insurers under this Extension will not exceed £1,000,000 in any one Period of Insurance.

The Insurers will not pay for

- 1 any damage or distress caused by any deliberate act or omission by the Insured the result of which could reasonably have been expected by the Insured having regard to the nature and circumstances of such act or omission
- 2 the payment of penalties or fines
- 3 the costs and expenses of replacing reinstating rectifying or erasing blocking or destroying any Data or Personal Data
- 4 any damage or distress caused by any act of fraud or dishonesty
- 5 liability arising from the recording processing or provision of Data or Personal Data for reward or to determine the financial status of any person
- 6 claims which arise out of circumstances notified to previous insurers or known to the Insured at the inception of this cover.

Data and Personal Data shall have the meaning defined in the Data Protection Act 1998 and any subsequent amending legislation.

Cover Five – Extensions continued

(subject to the terms limits conditions and exclusions of this Cover Option and the Policy)

m Financial Loss

Additional definitions in respect of this Extension

Financial Loss

A pecuniary loss or expense incurred by any person other than the Insured or a partner director or Employee of the Insured.

Intellectual Property Rights

Any patent trade mark copyright registered design technical or commercial information or other intellectual property.

Internet Liability

Any liability in respect of corruption theft or destruction of facts concepts and information converted to a form useable for communications interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and such facts concepts and information shall include programmes software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment including but not limited to such corruption theft or destruction caused by

- i any breach of the security of any computer system used by the Insured due to unauthorised access to use of tampering with or the malicious introduction of code into such systems
- ii transmission of any computer virus to any third party.

Cover

The Insurers will indemnify the Insured against legal liability to pay compensation and claimants' costs and expenses in respect of accidental Financial Loss in connection with the Business Activity sustained by the claimant within the Territorial Limits and for which any claim is

- a first made in writing against the Insured during the Period of Insurance and
- b notified to the Insurer during the same Period of Insurance or within thirty (30) days of the expiry of such Period of Insurance.

In addition the Insurers will pay costs and expenses incurred by the Insurers or with the written consent of the Insurers

- i in connection with the defence of any claim
- ii at proceedings in any court of summary jurisdiction or on indictment in any higher court in respect of alleged breach of statutory duty resulting in Financial Loss which may be the subject of indemnity under this Extension.

Limit of Liability

The Insurer's liability under this Extension in respect of all compensation costs and expenses payable for all claims first made against the Insured during any one Period of Insurance shall not exceed £50,000.

Exclusions

This Extension does not cover

1 Injury and Damage

liability in respect of

- a Injury to any person
- b loss or damage to any material property
- c nuisance trespass obstruction or interference with any right of way air light or water
- d wrongful arrest detention imprisonment or eviction of any person or invasion of right of privacy
- e libel slander or defamation of character.

2 Intellectual Property Rights

liability in respect of any infringement of Intellectual Property Rights.

3 Contractual Liability

liability assumed by the Insured either directly or indirectly by a contract or agreement entered into by the Insured.

4 Property in the Charge or Control of the Insured

liability in respect of Financial Loss incurred as a result of loss or damage to material property belonging to or in the charge or control of the Insured or failure to return such property.

5 Delays or Damage to Goods Supplied

liability in respect of

- a the costs of or arising from the need for making good removal repair rectification replacement or recall of any Products
- b diminution in value of land or any buildings or premises thereon
- c diminution in value of Products or work executed by or on behalf of the Insured
- d delay non-completion strikes labour disputes financial default insolvency or non delivery of Products.

6 Known Circumstances

liability arising out of or in connection with any event or circumstances known to the Insured at inception of this Cover Option which may give rise to a claim for Financial Loss.

7 Asbestos

Injury Damage liability loss cost or expense directly or indirectly caused by contributed to by or arising out of any asbestos asbestos fibres or any derivatives of asbestos including any product containing any asbestos fibres or derivatives.

Cover Five – Extensions continued

(subject to the terms limits conditions and exclusions of this Cover Option and the Policy)

8 Employment Practices Liability

any claim

- a made by any Employee arising out of employment in the Business Activity
- or
- b for any employment related practices policies acts or omissions
- or
- c for a refusal to employ any person or the termination of any person's employment.

9 Fraud and Dishonesty

liability arising out of any act of fraud or dishonesty by the Insured or any partner or director of the Insured or inducement of breach of contract.

10 Act of Terrorism

liability in respect of Injury loss or damage directly or indirectly caused by or arising from in consequence or in any way involving an Act of Terrorism.

11 Pollution or Contamination

liability directly or indirectly caused by or arising from in consequence or in any way involving Pollution or Contamination or expenses fines penalties or costs incurred or sustained by the Insured or imposed on the Insured at the order of any government agency court or other authority in connection with any Pollution or Contamination.

12 Internet Liability

any Internet Liability.

13 Offshore Installations

any liability in respect of Offshore Installations.

14 Fines Penalties Liquidated and Punitive Damages

liability in respect of

- a fines penalties or liquidated damages
- b punitive exemplary or aggravated damages and/or any additional damages resulting from the multiplication of compensatory damages
- c compensation ordered or awarded by any Court of Criminal Jurisdiction.

15 Professional Advice or Negligence

Liability

- a consequent upon any advice design specification inspection certification or testing provided or performed by or on behalf of the Insured
- or
- b arising out of any breach of professional duty.

16 Statutory Authorities

liability towards any statutory authority arising out of the enforcement of statutory requirements or the performance of statutory duties.

17 Previous Occurrence

liability arising out of any occurrence happening before the Effective Date of the Period of Insurance of **Cover Five** as shown in the Schedule.

18 Breach of Duty

liability arising from actual or alleged breach of duty breach of trust breach of contract neglect error mis-statement misleading statement omission breach of warranty of authority or other act done or wrongfully attempted by any director or officer of the Insured.

19 Excess

in respect of each and every claim; the first £2,500 of compensation and costs and expenses payable.

Cover Five – Extensions continued

(subject to the terms limits conditions and exclusions of this Cover Option and the Policy)

n Legionellosis Liability

Cover Five – Exclusion 4 Pollution and Contamination paragraph **b** shall not apply to any discharge release or escape of Legionella or other air-borne pathogens from water tanks water systems air conditioning plants cooling towers and the like.

Provided that

- i** the Insurers will only indemnify the Insured
 - 1** in respect of claims arising from Pollution or Contamination which arise out of or as a consequence of any discharge release or escape of Legionella or other air-borne pathogens from water tanks water systems air conditioning plants cooling towers and the like first made in writing to the Insured during the Period of Insurance or
 - 2** if the first notification of a circumstance which has caused or is alleged to have caused Injury or damage and can be reasonably expected to give rise to a claim arising from Pollution or Contamination which arises out of or as a consequence of any discharge release or escape of Legionella or other air-borne pathogens from water tanks water systems air conditioning plants cooling towers and the like is notified to the Insurers during the Period of Insurance or within thirty days (30) after expiry of the same Period of Insurance
- ii** the liability of the Insurers under this Extension for all compensation (including interest thereon) and claimants costs' and expenses payable shall not exceed the Limit of Liability shown in the Schedule or £1,000,000 (whichever is the lesser) and for all claims arising from Pollution or Contamination shall not exceed the Limit of Liability shown in the Schedule
- iii** this Extension shall not apply to any claim arising from Pollution or Contamination which arises out of or as a consequence of any discharge release or escape of Legionella or other air-borne pathogens from water tanks water systems air conditioning plants cooling towers and the like if before the Effective Date of the Period of Insurance of this Cover Option as shown in the Schedule the Insured had become aware of circumstances which have given or may give rise to such Pollution or Contamination.

o Pollution Clean Up Costs

Additional definitions in respect of this Extension

Remediation

shall mean works or operations to treat remove or dispose of Pollution and Contamination. For the avoidance of doubt it excludes

- i** works or operations to reinstate reintroduce or restore flora or fauna
- ii** works or operations to restore natural habitats or species protected under Environmental Legislation.

Environmental Legislation

shall mean any legislation for the protection of the environment or control of Pollution and Contamination.

Pollution and Contamination

shall mean all pollution or contamination of water or land (but excluding any pollution or contamination of buildings or other structures).

Cover

In respect of Pollution or Contamination occurring in Great Britain Northern Ireland the Channel Islands or the Isle of Man 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 in connection with the Business Activity the Insurers will also indemnify the Insured against

- i** the cost of any Remediation legally required or ordered by any statutory authority or regulator (acting in accordance with the terms of any Environmental Legislation) to be conducted by the Insured and
- ii** liability for the cost of any Remediation conducted by any statutory authority or regulator and legally sought from the Insured by that statutory authority or regulator in accordance with the terms of any Environmental Legislation.

Cover Five – Extensions continued

(subject to the terms limits conditions and exclusions of this Cover Option and the Policy)

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

Provided that

1 under this Extension the Insurers shall indemnify the Insured only to the extent that the Remediation to which the indemnified cost relates is the minimum necessarily conducted under the provisions of Environmental Legislation.

2 this Extension does not cover any costs, or any liability for costs, of Remediation arising out of

- a** Pollution and Contamination occurring outside Great Britain Northern Ireland the Channel Islands or the Isle of Man
- b** Pollution and Contamination consisting of any radioactive substances or asbestos
- c** Pollution and Contamination caused by Products
- d** Pollution and Contamination caused by or arising out of the ownership operation or use of any motor vehicle (whilst on any road) marine vessel or aircraft.

3 this Extension does not cover any costs, or any liability for costs, of Remediation carried out on or in order to protect any property belonging to or in the charge or control of the Insured other than premises not belonging leased rented or hired to the Insured but temporarily in the Insured's charge for the purpose of carrying out work.

4 the total amount payable under this Extension during any one Period of Insurance shall not exceed £250,000 and the total amount payable

- a** under this Extension and
- b** otherwise under this Cover Option for all compensation in respect of Pollution or Contamination (as defined therein) which is deemed to have occurred during any one Period of Insurance

shall not exceed in the aggregate during any one Period of Insurance the Limit of Liability in the Schedule.

5 this Extension does not cover any costs, or any liability for costs, to the extent they relate to

- a** any measures to prevent the spread of Pollution or Contamination or the removal of an immediate threat of Pollution or Contamination
- b** the removal or disposal of any waste deposited by or on behalf of the Insured
- c** any amounts payable by way of compensation to third parties affected by such Pollution and Contamination
- d** any amount payable by way of fine or penalty
- e** any costs and expenses incurred by the Insured or prosecution costs and expenses awarded against the Insured in connection with any criminal proceedings arising out of the Pollution or Contamination
- f** any works or operations that improve the state or condition of water or land in comparison with its state or condition immediately prior to the incident that caused the Pollution and Contamination.

6 this Extension does not cover the first £2,500 of the cost of any Remediation arising out of any one incident.

Cover Five – Extensions continued

(subject to the terms limits conditions and exclusions of this Cover Option and the Policy)

p Public Relations Expenses

In the event of any occurrence insured under this Cover Option which results in death or serious injury (which is life threatening or involves emergency hospitalisation) cover extends to include costs and expenses necessarily and reasonably incurred by the Insured with the prior written consent of the Insurers of employing public relations personnel to deal with press and public announcements and other activities.

Provided that

- i the Insurers agree details of the specific public relations personnel who are to act on behalf of the Insured prior to their appointment
- ii the estimated value of the claim(s) in respect of one occurrence arising out of death or serious injury held by the Insurers is £1,000,000 or above
- iii the public relations activities are for the sole purpose of assisting the Insured to reduce the potential for economic harm to the Insured by maintaining and restoring public confidence in the Insured and/or the Business Activity
- iv the Insurers shall not be liable under this Extension for more than £10,000 any one occurrence and £25,000 in total in any one Period of Insurance.

q Obstructing Mechanically Propelled Vehicles

If a mechanically propelled vehicle which is not the property or responsibility of the Insured causes an obstruction within Great Britain Northern Ireland the Channel Islands or the Isle of Man to the extent of interfering with the carrying out of the Business Activity then notwithstanding **Cover Five Exclusion 5** Mechanically Propelled Vehicles the Insurer will indemnify the Insured in the terms of this Cover Option in respect of the legal liability of the Insured for Injury or Damage to material property arising from the movement of such vehicle by the Insured or by any Employee.

Provided that

- i such movement shall be limited to the minimum necessary to clear the obstruction
- ii the indemnity will not apply to loss of or damage to such vehicle or its contents
- iii this Extension shall not apply to circumstances for which a certificate of insurance or security is required in accordance with road traffic legislation
- iv the vehicle is driven using the obstructing vehicle owners own ignition key.

r Munitions of War

Notwithstanding **General Exclusion 1** the Insurer will indemnify the Insured in respect of liability arising from the accidental detonation of munitions of war arising within the United Kingdom

Provided that the presence of such munitions does not result from a state of war current at the time of the damage.

s Multiple Insureds

If there is more than one insured party each operating as a separate and distinct entity then this Policy shall apply in the same manner and to the same extent as if individual policies had been issued to each party.

Provided that

- a the total liability of the Insurers to all of the insured parties collectively shall not exceed the Limit of Liability
- b any payment or payments by the Insurers to any one or more insured party shall reduce to the extent of that payment the Insurers liability to all parties arising from any one event giving rise to a claim under this Policy
- c the insured parties shall at all times preserve any available contractual rights agreements and remedies in the event of Damage
- d the Insurers shall be entitled to avoid liability to or claim damages from any of the insured parties in circumstances of fraud material misrepresentation material non-disclosure or breach of any Condition in this Policy each referred to in this clause as a Vitiating Act
- e the Contract is performed in Great Britain Northern Ireland the Isle of Man or the Channel Islands.

It is however agreed that

- i a Vitiating Act committed by one insured party shall not prejudice the right to indemnity of any other insured party who has an insurable interest and who has not committed a Vitiating Act
- ii the Insurers agree to waive all rights of subrogation which they may have or acquire against any insured party except where the rights of subrogation arise from a Vitiating Act in which circumstances the Insurers may enforce such rights notwithstanding the continuing or former status of the vitiating party as an Insured
- iii unless named in the Schedule as an Insured Party any lenders to the project shall not be entitled to any indemnity under this Policy for Damage in respect of which the Insurers are by reason of a Vitiating Act no longer liable to indemnify any one or more other insured party.

Cover Five – Exclusions

Cover Five does not cover

1 Injury to Employees

liability in respect of Injury to any Employee arising out of and in the course of the employment or engagement of such person by the Insured.

2 Work on Offshore Installations

liability in respect of Injury or Damage arising in connection with work on or travel to or from Offshore Installations.

3 Fines Penalties Liquidated Punitive Exemplary or Aggravated Damages

liability in respect of

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

4 Pollution or Contamination

liability in respect of

- a Pollution or Contamination occurring in the United States of America or Canada or any dependency or trust territory
- b Pollution or Contamination occurring elsewhere 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 Mechanically Propelled Vehicles

liability arising out of the ownership possession or use by or on behalf of the Insured of any mechanically propelled vehicle (or trailer attached thereto) which is required by any road traffic legislation to be the subject of compulsory insurance or other security but this Exclusion shall not apply

- a while such vehicle is being used as a tool of trade (other than in respect of liability which is compulsorily insurable under road traffic legislation)
- b in respect of the loading or unloading of such vehicle or the delivery or collection of goods to or from such vehicle

except where more specifically insured by any other policy.

6 Vessels or Craft

liability arising out of the ownership possession or use by or on behalf of the Insured of any vessel or craft or device designed to float on or in or travel through water air or space (other than hand-propelled watercraft).

7 Property in the Charge or Control of the Insured

liability in respect of Damage to any property belonging to or in the charge or control of the Insured other than

- a personal effects or vehicles of any partner director or Employee of or visitor to the Contract Works site
- b premises (and their contents) not belonging leased rented or hired to the Insured but temporarily in the charge of the Insured for the purposes of carrying out work
- c Premises (including their fixtures and fittings) leased rented or hired to the Insured but **Cover Five** does not cover liability attaching to the Insured solely under the terms of any tenancy or other agreement.

8 Damage to Goods Supplied

liability in respect of

- a Damage to any goods or other property sold supplied delivered installed or erected by or on behalf of the Insured
- b all costs of or arising from the need for reinstatement making good removal repair rectification replacement or recall of
 - i any such goods or property
 - ii any defective work executed by or on behalf of the Insured

except that **8a** and **8bi** above shall not apply to liability in respect of Damage to the said goods or property if such Damage is caused by or arises from any alteration repair or servicing work executed by the Insured under a separate contract.

9 Advice and Design

liability for Injury or Damage arising out of or in connection with advice design formula specification inspection certification or testing provided or performed for a fee by or on behalf of the Insured.

Cover Five – Exclusions continued

Cover Five does not cover

10 Contract Works and JCT Clause 6.5.1

liability in respect of Damage to any property

- a** comprising or to be incorporated in the Contract Works
- b** against which the Insured are required to effect insurance under the terms of Clause 6.5.1 of the JCT Conditions of Contract or of any other contract condition requiring insurance of a like kind.

11 Computer Date Recognition

liability 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

- a** correctly to recognise any date as its true calendar date
- b** to recognise capture save retain restore and/or correctly 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
- c** 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.

12 Asbestos

- a** liability in any way caused by arising from or contributed to by
 - i** exposure to or inhalation of Asbestos
 - ii** fear of the consequences of exposure to or inhalation of Asbestos
- b** liability for the costs of management (Including those of any persons under any statutory duty to manage) removal repair alteration recall replacement or reinstatement of any property arising out of the presence of Asbestos

13 Excess

the amount(s) shown in the Schedule as the Excess for **Cover Five**.

14 Liability Under Hire Contracts

liability for Damage more specifically insured under **Cover Three** of this Policy.

Cover Five – Conditions

1 Discharge of Liability

The Insurers may pay to the Insured in the event of any one claim or series of claims arising out of one occurrence the specified Limit of Liability in respect thereof (after deducting therefrom any sums already paid) or any lesser amount for which the claim(s) can be settled and thereafter be under no further liability in respect of such claim or series of claims arising out of one occurrence except for the amount of any costs and expenses incurred prior to the date of the payment.

2 Alteration in Risk

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

- a** in or to the Business Activity
- 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 Insurers at inception renewal or variation of the Policy which materially increases the risk of legal liability to pay costs and expenses as insured by **Cover Five**.

Upon being notified of any material such alteration of the risk the Insurers may at its absolute discretion

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

If the Insured fails to notify the Insurers of any such alteration the Insurers may

- a** treat **Cover Five** 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 Insurers would have cancelled **Cover Five** and the Policy had it known of the increase in risk
- b** treat **Cover Five** 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 Insurers 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 Insurers is liable being calculated by comparing the premium actually charged as a percentage of the premium which the Insurers would have charged had it known of the increase in risk.

Cover Five – Conditions continued

3 Underground Services

It is a condition precedent to any liability of the Insurers in respect of loss or damage to pipes cables mains or other underground services arising out of or caused by digging drilling boring excavation or earth moving operations that

- a** the Insured shall prior to the commencement of such work
 - i** have made enquiries with the owner or relevant authority responsible as to the location of existing pipes cables mains or other underground services and shall have received written confirmation or have confirmed any conversation in writing
 - ii** carry out investigation using remote electrical devices to locate existing pipes cables mains or other underground services where practicable
 - iii** convey the location of such pipes cables mains and underground services to those Employee or contractors carrying out such work on behalf of the Insured
- b** the Insured shall adopt or cause to be adopted a method of work which minimises the risk of Damage to pipes cables mains and other underground services
- c** the Insured shall retain a full written record of the enquiries and measures taken to locate and minimise the risk of Damage to such pipes cables mains and other underground services.

4 Bona Fide Subcontractors

In respect of work commencing within the Period of Insurance it is a condition precedent to any liability of the Insurer in respect of Injury loss or damage arising out of or caused by work undertaken on behalf of the Insured by bona fide subcontractors that the Insured obtain and retain a written record that such subcontractors have in force throughout the duration of any work undertaken by them for the Insured insurance as follows

- a** Employers Liability insurance in accordance with any law relating to compulsory insurance of liability to employees
- b** Public Liability insurance covering legal liability for injury to any person other than liability described in a. above and loss or damage to property that
 - i** is subject to a limit of indemnity not less than that applying to **Cover Five** and
 - ii** includes an Indemnity to Principal extension and
 - ii** covers the work to be undertaken by bona fide subcontractors on behalf of the Insured

This Condition does not apply where bona fide subcontractors are engaged to carry out work on behalf of the Insured in an emergency and there is insufficient time to obtain written evidence of insurance provided that the Insured shall obtain verbal confirmation from such subcontractors that insurance as described in **a** and **b** above is in force and confirm such conversation in writing and retain a copy as a written record.

Cover Six – Contractors JCT 6.5.1

Definitions

1 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 such incident takes place.

2 Works

The permanent works undertaken by or on behalf of the Insured in performance of the specific contract for the Employer.

Cover

The Insurers will indemnify the Employer 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.

Cover Six – Limit of Liability

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 Liability shown in the Schedule.

In addition the Insurers will pay costs and expenses incurred by the Insurers or with their written consent in connection with the defence investigation or settlement of any claim which may be the subject of indemnity under this Cover Option.

Cover Six – Exclusions

Cover Six does not cover

1 Damage to the Works and Other Property

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 Contractor 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 as applicable under JCT Conditions of Contract.

3 Fines Penalties Liquidated and Punitive 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

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

6 Computer Date Recognition

liability 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

- a correctly to recognise any date as its true calendar date
- b to recognise capture save retain restore and/or correctly 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
- c 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.

Cover Six – Conditions

1 Major Variations

Any major variation or change in plan in carrying out the Business Activity must

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

2 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 Insurers produce or give access to such property and the Insurers 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 Insurers whether taken possession of by the Insurers or not
- b the Insurers may by payment or at its option by repair or reinstatement or replacement indemnify the Insured for such Damage.

3 Alteration in Risk

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

- a in or to the Business Activity
- 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 Insurers 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 **Cover Six**.

Upon being notified of any material such alteration the Insurers may at its absolute discretion

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

If the Insured fails to notify the Insurers of any such alteration of the risk the Insurers may

- a treat **Cover Six** 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 Insurers would have cancelled **Cover Six** and the Policy had it known of the increase in risk
- b treat **Cover Six** 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 Insurers 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 Insurers is liable being calculated by comparing the premium actually charged as a percentage of the premium which the Insurers would have charged had it known of the increase in risk.

Cover One Cover Two Cover Three and Cover Four – Exclusions

Cover One Cover Two Cover Three and Cover Four do not cover loss damage cost(s) expenses Financial Loss or legal liability consisting of or in consequence of

1 Sea or Air Transit

Damage occurring during transit by sea or air.

2 Scratching

the scratching scouring or spoiling of glass painted polished smooth or any other similar finished surfaces unless caused by an identifiable occurrence which is not otherwise excluded by this Policy.

3 Inventory Losses or Unidentifiable Occurrence

loss of Property Insured

- a** by its disappearance or by shortage if the disappearance or shortage is only revealed when an inventory is made
- b** due to it being stolen or otherwise missing unless the loss is identifiable by the Insured with a specific occurrence which has been the subject of notification under the terms of the Claims Conditions and which has been reported to the Police.

4 Multiple Lifting Operations

Damage to Property Insured arising out of any lifting or lowering operation in which a load is shared between two or more machines.

This Exclusion does not apply to Damage to Property Insured arising out of any lifting or lowering operation in which a load is shared by two machines provided that

- a** the load on the hook does not exceed 150 tonnes and
- b** the operations are carried out in accordance with British Standard Code of Practice For Safe Use of Cranes - BS7121 or ISO 12480-1 Cranes - Safe Use - General including any subsequent amendments or revisions and
- c** the machines used are cranes as designated by BS7121 and its supporting parts.

5 Money Legal or Promissory Documents

Damage to deeds bonds bills of exchange promissory notes cash bank and currency notes treasury notes cheques postal orders stamps or securities.

6 Motor Vehicles

Damage to any mechanically propelled vehicle or any trailer attached thereto other than any vehicle which is

- a** not licensed for road use and used in circumstances which do not require insurance under any road traffic legislation or
- b** designed or adapted primarily for use as a tool of trade.

7 Vessels Craft Vehicles Devices Rigs or Platforms

Damage to any

- a** vessel craft vehicle or device designed to float on in or travel under or through water air or space
- b** marine rig or marine platform
- c** equipment situated on or fixed to such vessel craft vehicle device rig or platform.

8 Pollution and Contamination

directly or indirectly caused by or contributed to by or arising from pollution or contamination.

This Exclusion shall not apply to cost arising from pollution or contamination of Property Insured caused directly by an occurrence which is insured by **Cover One Cover Two Cover Three** or **Cover Four** of this Policy.

Cover One Cover Two Cover Three and Cover Four – Exclusions continued

Cover One Cover Two Cover Three and Cover Four do not cover loss damage cost(s) expenses Financial Loss or legal liability consisting of or in consequence of

9 E Risks

Damage to

- a** any computer or other equipment or component or system or item which processes stores transmits or retrieves data or
- b** any part of a computer or other equipment or component or system or item which processes stores transmits or retrieves data

whether tangible or intangible (including but without limitation any data information or programs or software) and whether part of the Property Insured or not caused directly or indirectly by

i Virus or Similar Mechanism

program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise adversely affect computer programs data files or operations whether involving self replication or not. This includes but is not limited to viruses trojan horses worms and logic bombs

ii Hacking

unauthorised access to any computer or other equipment or component or system or item whether part of the Property Insured or not which processes stores transmits or retrieves data

but this Exclusion shall not apply to subsequent Damage arising from or caused by fire lightning explosion aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked out workers persons taking part in labour disturbances earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal which would but for the application of this Exclusion be insured by this Policy.

10 Terrorism

Damage directly or indirectly caused by resulting from or in connection with

- a** in respect of England Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987
 - i** any Act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to such Act of Terrorism
 - ii** any action taken in controlling preventing or suppressing any Act of Terrorism or in any other way related to such Act of Terrorism

In respect of **a** above an Act of Terrorism means Acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any other government de jure or de facto.

- b** in respect of territories other than those shown in **a** above
 - i** any Act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to such Act of Terrorism
 - ii** any action taken in controlling preventing or suppressing any Act of Terrorism or in any other way related to such Act of Terrorism
 - iii** riot or civil commotion in Northern Ireland

In respect of **b** above an Act of Terrorism means Any act including but not limited to the use of force or violence and/or the threat thereof of any person 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 the intention to influence any government and/or to put the public or any section of the public in fear.

In any action suit or other proceedings where the Insurers alleges that by reason of this Exclusion any Damage liability or consequential loss is not covered by this Policy (or is covered only up to a specified Limit of Liability) the burden of proving to the contrary shall be upon the Insured.

In the event any part of this Exclusion is found to be invalid or unenforceable the remainder shall remain in full force and effect.

Cover One Cover Two Cover Three and Cover Four – Exclusions continued

Cover One Cover Two Cover Three and Cover Four do not cover loss damage cost(s) expenses Financial Loss or legal liability consisting of or in consequence of

11 Computer Date Recognition

Damage directly or indirectly caused by or consisting of or 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

- a** correctly to recognise any date as its true calendar date
- b** to capture save or retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than its true calendar date
- c** to capture save retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date

but this Exclusion shall not apply to subsequent Damage arising from or caused by fire lightning explosion aircraft or other aerial devices or articles dropped therefrom theft riot civil commotion strikers locked out workers persons taking part in labour disturbances malicious persons other than thieves earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal which would but for the application of this Exclusion be insured by this Policy.

General Exclusions

This Policy does not cover loss damage cost(s) expenses Financial Loss or legal liability consisting of or in consequence of

1 War and Kindred Risks

- a** Damage death injury disablement or liability or any consequential loss directly or indirectly caused by war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection military or usurped power confiscation nationalisation requisition or destruction of or damage to property by order of the Government or any Public Municipal or Local Authority.
- b** in the case of Property Insured outside Great Britain Northern Ireland the Isle of Man and the Channel Islands Damage death injury disablement or liability or any consequential loss directly or indirectly caused by warlike operations mutiny conspiracy martial law state of siege or any events or causes which determine the proclamation or maintenance of martial law or state of siege riot civil commotion strike lock-out persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation.

2 Radioactive Contamination

Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising there from or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from

- a** ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- b** the radioactive toxic explosive or other hazardous or contaminating properties of any nuclear installation reactor or other nuclear assembly or nuclear component thereof
- c** any weapon or other device utilising radioactive material and/or matter and/or ionising radiation and/or atomic or nuclear fission and/or fusion or other like reaction
- d** the radioactive toxic explosive or other hazardous or contaminating properties of any radioactive matter.

Exclusions **c** and **d** do not apply to **Cover Five**.

3 Nuclear Site Risks

Damage caused by or consisting of or liability arising from Damage to any

- a** Nuclear Material
- b** Property Insured in connection with
 - i** any Contract Works for construction erection installation repair maintenance or decommissioning of
 - ii** any Contract Works in or onany building or plant that has been or is used or is designated to be used for the Production Use or Storage of Nuclear Material.

4 Other Consequential Losses

liquidated damages penalties for delay or detention or in connection with guarantees of performance or efficiency or loss of use or any other form of consequential loss not specifically provided for by this Policy.

General Conditions

1 Survey and Risk Improvement – Subjectivity Condition

Subject to Survey

If this Policy has been issued or renewed subject to the Insurers completing a survey or surveys of the risks insured then pending completion of such survey(s) indemnity is provided by the Insurers on the terms Conditions Exclusions and limits as specified in the Policy.

In the event that a survey should show that a risk or any part of it is not satisfactory in the opinion of the Insurers then the Insurers reserve the right to

- a** alter the premium or terms and Conditions
- b** exercise their right to cancel the Policy
- c** leave the premium or terms and Conditions unaltered.

The Insurers will advise the Insured of their decision and the effective date of such decision. If the premium terms or Conditions are amended by the Insurers then the Insured will have fourteen (14) calendar days to accept or reject the revised basis of indemnity.

If the Insured elect to reject the revised basis of premium terms or Conditions then they shall be entitled to a proportionate refund of premium (subject to a £25 administration charge) for the unexpired period of cover provided that no claim has been made before the effective date of cancellation.

If the Insurers exercise their right to cancel the Policy then the Insured shall be entitled to a proportionate refund of premium (subject to a £25 administration charge) for the unexpired period of cover provided that no claim has been made before the effective date of cancellation.

Risk Improvements

It is a condition precedent to the liability of the Insurers that the Insured must comply with all survey risk improvements required by the Insurers within completion time scales specified by the Insurer's.

In the event that a risk improvement is not completed or risk improvement procedures are not introduced within the completion time scales specified by the Insurers then the Insurers reserve the right to

- 1** alter the premium or terms and Conditions
- 2** exercise their right to cancel the Policy
- 3** leave the premium or terms and Conditions unaltered.

The Insurers will advise the Insured of their decision which will be effective either from the expiry of any time period specified by the Insurers for completion/introduction of the required survey risk improvements or any other period specified by the Insurers.

If the premium terms or Conditions are amended by the Insurers then the Insured will have fourteen (14) days to accept or reject the revised basis of indemnity.

If the Insured elect to reject the revised basis of premium terms or Conditions then they shall be entitled to a proportionate refund of premium (subject to a £25 administration charge) for the unexpired period of cover provided that no claim has been made before the effective date of cancellation.

If the Insurers exercise their right to cancel the Policy then the Insured shall be entitled to a proportionate refund of premium (subject to a £25 administration charge) for the unexpired period of cover provided that no claim has been before the effective date of cancellation.

To the extent that this Condition conflicts with any other cancellation condition then this Condition shall prevail.

Except in so far as they are expressly varied by this Condition all of the terms Conditions provisions Exclusions and limits of this Policy shall continue to apply until advised otherwise by the Insurers.

2 Observation of Policy Terms

The liability of the Insurers will be conditional on the Insured complying and as appropriate any insured parties entitled to indemnity complying as though they were the Insured with the terms provisions exclusions limits and conditions of this Policy in so far as they can apply.

General Conditions continued

3 Fair Presentation of the Risk

- a** The Insured must make a fair presentation of the risk to the Insurers at inception renewal and variation of the Policy.
- b** The Insurers may avoid the Policy and refuse to pay any claims where any failure to make a fair presentation is
 - i** deliberate or reckless or
 - ii** of such other nature that if the Insured had made a fair presentation the Insurers would not have issued the Policy.

The Insurers will return the premium paid by the Insured unless the failure to make a fair presentation is deliberate or reckless.

- c** If the Insurers would have issued the Policy on different terms had the Insured made a fair presentation the Insurer will not avoid the Policy (except where the failure is deliberate or reckless) but the Insurers may instead
 - i** reduce proportionately the amount paid or payable on any claim the proportion for which the Insurers are liable being calculated by comparing the premium actually charged as a percentage of the premium which the Insurers would have charged had the Insured made a fair presentation and/or
 - ii** treat the Policy as if it had included such additional terms (other than those requiring payment of premium) as the Insurers would have imposed had the Insured made a fair presentation.

For the purposes of this condition references to

- 1** avoiding a Policy means treating the Policy as if it had not existed from the inception date (where the failure to make a fair presentation of the risk occurs before or at the inception of the Policy) the renewal date (where the failure occurs at renewal of the Policy) or the variation date (where the failure occurs when the Policy is varied)
- 2** refunds of premium should be treated as refunds of premium back to the inception date renewal date or variation date as the context requires
- 3** issuing a Policy should be treated as references to issuing the Policy at inception renewing or varying the Policy as the context requires
- 4** premium should be treated as the premium payable for the particular contract of insurance which is subject to this Condition (where there is more than one contract of insurance).

4 Reasonable Precautions

The Insured shall take all reasonable precautions to prevent accidents and any injury loss destruction or damage and shall take all reasonable steps to observe and comply with statutory or local authority laws obligations and requirements..

5 Joint Code of Practice

The Insured undertakes to comply with The Joint Code of Practice for the Protection from Fire of Construction Sites and Buildings Undergoing Renovation Eighth Edition dated July 2012 or a subsequent edition or version (referred to as The Joint Code).

The Insurers shall have the right at all reasonable times to enter and inspect the Contract Site for the purpose of checking whether the conditions comply with The Joint Code.

In the event of a breach of The Joint Code the Insurers will inform the site management of the Contractor specifying the nature of the breach the remedial measures required by the Insurers and the period within which these must be completed.

Where the Insurers consider a breach is of sufficient importance written notice shall be sent to the Insured and the Contractor at their respective addresses by registered post recorded postal delivery facsimile transmission or by hand.

The notice may suspend or cancel cover thirty (30) calendar days from the date of the notice.

It being understood that following suspension cover shall be reinstated when the Insurers are satisfied that remedial measures have been completed.

In the event of cancellation the Insurers agree to return to the Insured a pro-rata proportion of the relevant part of the Policy premium.

6 Suspension of Cover

If work at the site of the Contract Works shall cease for a period in excess of ninety (90) consecutive days the indemnity provided by the Insurers for Damage to Property Insured on that Contract Site shall be suspended at the end of the ninetieth (90th) day unless specifically agreed in writing by the Insurers and stated in this Policy.

General Conditions continued

7 Premium Payment Condition

The Insured agrees that Premium will be paid in full to the Insurers within the number of days stated in the Schedule from the Effective Date (or in respect of instalment premiums when due).

If the Premium due under this Policy has not been paid to Insurers within the agreed terms (and in respect of instalment premiums if the Insured fail to pay one or more instalments whether in full or in part) the Insurers may cancel the Policy by giving the Insured fourteen (14) calendar days notice in writing at their last known address.

Provided no claim has been made or incident has arisen which is likely to give rise to a claim during the Period of Insurance the Insurers may calculate a proportionate rebate of the premium in respect of the unexpired Period of Insurance. The rebate calculated under this condition will be reduced by all unpaid premiums or unpaid premium instalments due.

Should the Premium be paid within the fourteen (14) calendar days notice period then the notice of cancellation will automatically be revoked and the Policy shall remain in force as if the cancellation notice had not been issued.

8 Declarations

The premium in respect of the Policy is based upon estimates given by the Insured from accurate record keeping and will be adjusted on declaration.

This record shall be supplied to the Insurers within two (2) months following expiry of the Period of Insurance to enable the Premium Adjustment to be calculated.

Any information provided to the Insurers in accordance with this General Condition shall include

- a** the value of any Free Issue Materials provided to the Contractor for incorporation in the Contract Works.
- b** professional fees incurred in the design and construction of the Contract Works.
- c** Value Added Tax which is not recoverable by the Insured.

9 Law and Language Applicable

Unless the Insurers agree otherwise

- a** the language of the Policy and all communications relating to it will be in English and
- b** all aspects of the Policy including negotiation and performance are subject to English law and the decisions of English courts.

10 Rights of Parties

A person or company who was not a party to this Policy has no right under the Contracts (Rights of Third Parties) Act 1999 or any subsequent legislation to enforce any term of this Policy but this does not affect any right or remedy of a third party which exists or is available apart from such Act.

11 Assignment

The Insured shall not assign any of the rights or benefits under this Policy without the prior written consent of the Insurer. The Insurer will not be bound to accept or be affected by any notice of trust charge lien or purported assignment or other dealing with or relating to this Policy.

12 Loss Reduction Conditions

If the Insured does not comply with any part of any condition which makes payment of a claim conditional upon compliance with it (a condition precedent) the Insurers will not pay for any claim except that where the condition concerned

- a** operates only in connection with particular premises or Locations the Insurers will pay for claims arising out of an event occurring at other premises or Locations which are not specified in the condition
- b** operates only at particular times the Insurers will pay for any claim where the Insured shows on the balance of probabilities that its non-compliance with the condition did not cause or contribute to the loss damage cost(s) expenses Financial Loss or legal liability which occurred
- c** would if complied with tend to reduce particular types of loss damage cost(s) expenses Financial Loss or legal liability or as the context may require liability the Insurers will pay for any claim where the Insured shows on the balance of probabilities that its non-compliance with the condition did not cause or contribute to the loss damage cost(s) expenses Financial Loss or legal liability which occurred.

General Conditions continued

13 Right To Survey

It is a condition of this Policy that the Insurers have the right to carry out a survey of the risks Insured at any time mutually agreed with the Insured.

14 Fire Precautions

It is a condition precedent to any liability of the Insurer that the following precautions shall be complied with by the Insured their Employees or by their subcontractors whenever carrying out any work involving the application of heat or use of angle grinders or disc cutters and no liability shall attach to the Insurers unless the precautions shall have been complied with:

- a** when blow torches blow lamps electric oxy-acetylene or other welding or flame cutting equipment hot air guns angle grinders or disc cutters are to be used
 - i** thorough examination of the immediate vicinity of the work (including the area of work itself and including the area on the other side of any wall or partition) shall be made to see whether any combustible material is in danger of ignition either directly and/or by conduction of heat and a record of inspection kept
 - ii** all moveable and combustible materials (including materials to be worked upon or which have been worked upon and to the greatest extent practicable any materials in the course of being worked upon) shall be removed away from the immediate vicinity of the work (to a distance of not less than fifteen (15) metres from the point of application of use when electric oxy-acetylene or other welding or flame cutting equipment angle grinders or disc cutters are to be used)
 - iii** all combustible materials which cannot be moved (including materials to be worked upon or which have been worked upon and to the greatest extent practicable any materials in the course of being worked upon) shall be covered and fully protected by overlapping sheets or screens of non-combustible material.
- b** there shall be available for immediate use at the site of the work either
 - i** two portable multi-purpose dry powder fire extinguishers to European standard BS EN 3 with a minimum capacity of 4.0 kilograms each and serviced in accordance with BS 5306-3 or
 - ii** a hydraulic hose reel provided the situation is one where water would not aggravate a fire or explosion.
- c** the lighting of all blow lamps blow torches welding and cutting equipment shall be carried out strictly in accordance with the manufacturers instructions and no piece of lighted equipment shall be left unattended.
- d** where the equipment involves the use of gas cylinders those not required for immediate use shall be kept outside the building in which the work is taking place (and in any event at least fifteen (15) metres from the point of application of heat or use of angle grinders or disc cutters).
- e** any tar bitumen or asphalt boiler shall not be left unattended and shall be located at ground level on a non-combustible surface and in the open air whilst lighted.
- f** for one (1) hour after completion of each period of work or stage of work involving the application of heat or use of angle grinders or disc cutters or for one hour after the completion of work involving the application of heat or use of angle grinders or disc cutters in any area in all circumstances that the area previously worked upon ceases to be sufficiently visible to ensure that any outbreak of fire or signs of the possible outbreak of fire will be noticed any area or areas in which work has been carried out shall not be left unattended and a thorough inspection of the area surrounding the work (including that described in paragraph **a i** above) shall be made at frequent intervals up to the end of the period of one hour to ensure that nothing is smouldering and there is no risk of fire (and a record of inspections shall be kept).

Claims Conditions

1 Claims Procedures

It is a condition precedent to liability that the Insured shall in the event of any Damage as a result of which a claim is or may be made under this Policy and again upon receipt by the Insured in writing of any notice of any claim or legal proceeding

- a** in respect of claims notified under this Policy at their own expense deliver to the Insurer
 - i** within thirty (30) calendar days after such occurrence (twenty eight (28) days in the case of loss or damage by riot civil commotion strikers locked-out workers persons taking part in labour disturbances malicious persons or theft) or such further time as the Insurer may allow in writing
 - 1** full information in writing of the Property Insured and the amount of loss or damage
 - 2** details of any other insurances on the Property Insured covered by this Policy
 - ii** all such proof and information relating to the claim as may reasonably be required
 - iii** if required a statutory declaration of the truth of the claim and of any matters connected with it
 - iv** notify the Insurers as soon as reasonably possible.
- b** pass immediately and unacknowledged any letter of claim to the Insurer
- c** notify the Insurer immediately upon being advised of any prosecution inquest or enquiry connected with any loss destruction or damage which may form the subject of a claim under this Policy
- d** notify the police as soon as it becomes evident that any Damage has been caused by theft or malicious persons
- e** carry out and permit to be taken any action which may be reasonably practicable to prevent further Damage liability or cost
- f** retain unaltered and unrepaired anything in any way connected with the Damage for as long as the Insurer may reasonably require
- g** furnish with all reasonable despatch at the Insured's expense such further particulars and information as the Insurer may reasonably require
- h** make available at the Insured's expense any documents required by the Insurer with regard to any letter of claim

- i** not pay or offer or agree to pay any money or make any admission of liability without the previous consent of the Insurer
- j** allow the Insurer in the name of and on behalf of the Insured to take over and during such periods as the Insurer thinks proper to have the absolute conduct and control of all negotiations and proceedings which may arise in respect of any claim and the settlement thereof and co-operate fully with the Insurer for that purpose
- k** permit inspection by the representatives of the Insurer of any damaged or defective parts of Property Insured.

No claim under this Policy shall be payable unless the terms of this Claims Condition have been complied with and any payment on account of a claim already made shall be repaid to the Insurer..

2 Options for Claims Settlement

- a** The Insurers may at their option repair reinstate or replace that which is Damaged or pay for the Damage in money.

If any Property Insured is to be reinstated or replaced by the Insurers the Insured shall at their own expense provide all plans documents books and information as may reasonably be required.

The Insurers shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner.
- b** The Insurers shall not be liable for the cost of repairs undertaken without their written consent except in urgent cases where it has been necessary to put minor repairs in hand.

Provided that

 - i** the requirements of **Claims Conditions 1** and **5** have been complied with and
 - ii** the repairs are carried out to the satisfaction of the Insurers.
- c** Where Damage is confined to a part of the Property Insured the Insurers shall be liable for the value of that part plus the cost of any necessary removal and installation for which the Insured is responsible.
- d** The Insured shall not be entitled to abandon any property to the Insurers whether taken into the possession of the Insurers or not.

Claims Conditions continued

3 Fraud

If the Insured or anyone acting on the Insured's behalf

- a** makes any false or fraudulent claim
- b** makes any exaggerated claim
- c** supports a claim by false or fraudulent documents devices or statements (whether or not the claim is itself genuine)
- d** makes a claim for loss or damage which the Insured or anyone acting on the Insured's behalf deliberately caused

the Insurers will

- i** refuse to pay the whole of the claim and
- ii** recover from the Insured any sums that they have already paid in respect of the claim.

The Insurers may also notify the Insured that they will be treating the Policy as having terminated with effect from the date of the earliest of any of the acts set out in sub-clauses **a – d** above. In that event the Insured will

- 1** have no cover under the Policy from the date of the termination and
- 2** not be entitled to any refund of premium.

4 Other Insurances

Except as provided for under Claims Condition **9** Marine Insurance the Insurers will not indemnify the Insured in respect of Damage to Property Insured and/or legal liability which is insured by or would but for the existence of this Policy be insured by any other policy effected by the Insured or on the Insured's behalf except in respect of any excess beyond the amount payable under the other policy or which would have been payable under the other policy had this insurance not been effected.

5 Subrogation

Any claimant under this Policy shall at the request and expense of the Insurers take or permit to be taken all necessary steps for enforcing rights against any other party in the name of the Insured before or after any payment is made by the Insurers.

6 Arbitration

If any difference arises as to the amount paid under this Policy (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 the award shall be a condition precedent to any right of action against the Insurers.

7 Housing Grants Construction and Regeneration Act 1996

In the event of a construction contract dispute being referred to an adjudication procedure that complies with the provisions of the Housing Grants Construction and Regeneration Act 1996 the following terms and conditions will apply

- a** if a dispute relates to Damage which may be the subject of a claim under this Policy
 - i** the Insured shall forward to the Insurers within three (3) working days of receipt or as soon as reasonably practicable notice of an intention by another party to refer the dispute to adjudication
 - ii** the Insured shall provide prior notice to the Insurers of any intention by them to refer any dispute to adjudication
- b** the Insured shall co-operate with the Insurers in the conduct of the adjudication. Appointments made by the Insurers shall be at the Insurers expense
- c** the Insured shall not accept an award made by the adjudicator to the dispute as being final without the prior consent of the Insurers
- d** the Insurers will indemnify the Insured against a partial or full award made by the adjudicator to the extent that this Policy allows
- e** payment made by the Insurers in respect of an award shall be made without prejudice to any rights of subrogation that the Insurers may possess
- f** the Insured shall instigate legal proceedings or arbitration in accordance with the terms of the original Contract to challenge or reopen or stay the enforcement of such adjudicators decision if reasonably requested to do so by the Insurers. The Insurers will appoint appropriate advisers as they deem necessary to have appropriate conduct of the proceedings. Any of these measures taken shall be at the Insurers expense.

This Condition does not apply to **Cover Five** of this Policy but all other terms and Conditions of this Policy shall apply to the extent that they are not in conflict with this Condition.

Claims Conditions continued

8 Repairable Damage

The Insurers will not make a deduction for wear and tear against the cost of repairable Damage to Constructional Plant or Temporary Buildings less than twelve (12) months old provided that the cost of repair does not exceed the market value of the item at the time of the Damage.

9 Discharge of Liability

The Insurers may at any time pay to the Insured in connection with any claim or series of claims

a the Limit of Indemnity

or

b the Sum Insured

or

c a lesser amount for which such claim or claims can be settled after deduction of any sums already paid

Upon such payment the Insurers shall relinquish the conduct and control of and be under no further liability in respect of such claim or claims except for costs and expenses which the Insurers have already agreed to bear which were incurred prior to the date of such payment.

Complaints Procedure

Our aim is to get it right, first time every time. If you have a complaint we will try to resolve it straight away but if we are unable to we will confirm we have received your complaint within five working days and do our best to resolve the problem within four weeks. If we cannot we will let you know when an answer may be expected.

If we have not resolved the situation within eight weeks we will issue you with information about the Financial Ombudsman Service (FOS) which offers a free, independent complaint resolution service.

If you have a complaint, please contact our Customer Satisfaction Manager at:

Customer Satisfaction Manager, Allianz Engineering, Head Office
Haslemere Road, Liphook, Hampshire, GU30 7UN

Telephone: 01428 722407

Fax: 01428 724824

Email: customer.satisfaction@allianz.co.uk

You have the right to refer your complaint to the Financial Ombudsman, free of charge – but you must do so within six months of the date of the final response letter.

If you do not refer your complaint in time, the Ombudsman will not have our permission to consider your complaint and so will only be able to do so in very limited circumstances. For example, if the Ombudsman believes that the delay was as a result of exceptional circumstances.

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Website: www.financial-ombudsman.org.uk

Telephone: 0800 0234567 or 0300 1239123

Email: complaint.info@financial-ombudsman.org.uk

Using our complaints procedure or contacting the FOS does not affect your legal rights.

The European Commission has an online dispute resolution service for consumers who have a complaint about a product or service bought online. If you choose to submit your complaint this way it will be forwarded to the Financial Ombudsman Service.

Visit <https://ec.europa.eu/odr> to access the Online Dispute Resolution Service. Please quote our e-mail address: customer.satisfaction@allianz.co.uk.

Alternatively, you can contact the Financial Ombudsman Service directly.

Notifying a Claim

Claims under this Policy should be notified to the Insurers in accordance with the Claims Condition of the Policy at the following Allianz Office.

Please provide your Policy number and as much information as possible about the claim:

Allianz Engineering
Claims Department
Haslemere Road
Liphook
Hampshire
GU30 7UN

Tel: 01483 265825

Email: claims@allianzengineering.co.uk

Lines are open from 9am to 5pm Monday to Friday

Financial Services Compensation Scheme

Allianz Insurance plc contributes to the Financial Services Compensation Scheme (FSCS).

You (the Insured) may be entitled to compensation from the FSCS if we (the Insurers) are unable to meet our liabilities. Further information about compensation scheme arrangements is available at www.fscs.org.uk, by emailing enquiries@fscs.org.uk or by phoning the FSCS on 0800 678 1100 or 0207 741 4100.

Fair Processing Notice – how we use personal information

1. Who we are

When **we** refer to “**we**”, “**us**” and “**our**” in this notice it means Allianz Insurance plc or Allianz Engineering Inspection Services Limited.

When **we** say, “**individuals**” in this notice, **we** mean anyone whose personal information **we** may collect, including:

- anyone seeking an insurance quote from **us** or whose details are provided during the quotation process
- policyholders and anyone named on or covered by the policy
- anyone who may benefit from or be directly involved in the policy or a claim, including claimants and witnesses.

2. How we use personal information

We use personal information in the following ways:

- to provide quotes, administer policies and policyholder claims to fulfil **our** contract
- to administer third party claims and prevent financial crime to meet **our** legal obligations
- to manage **our** business and conduct market research to meet the legitimate needs of **our** business
- to send marketing information about **our** products and services if **we** have received specific consent.

There is no obligation to provide **us** with personal information, but **we** cannot provide **our** products and services without it.

Anyone whose personal information we hold has the right to object to us using it.

They can do this at any time by telling us and we will consider the request and either stop using their personal information or explain why we are not able to.

Further details can be found below.

3. Automated decision making, including profiling

We may use automated decision making, including profiling, to assess insurance risks and administer policies. This helps **us** decide whether to offer insurance, determine prices and validate claims.

Anyone subject to an automated decision has the right to object to it. To do so they should contact **us** by emailing **us** at accsm@allianz.co.uk and **we** will review the decision.

4. The personal information we collect

We collect the following types of personal information so **we** can complete the activities in section 2, “How **we** use personal information”:

- basic personal details such as name, age, address and gender
- family, lifestyle and social circumstances, such as marital status, dependants and employment type
- financial details such as direct debit or payment card information
- photographs and/or video to help **us** manage policies and assess claims
- tracking and location information if it is relevant to the insurance policy or claim
- identification checks and background insurance risk details including previous claims information
- medical information if it is relevant to the insurance policy or claim
- criminal convictions if it is relevant to the insurance policy or claim
- accessibility details if **we** need to make reasonable adjustments to help
- business activities such as goods and services offered.

5. Where we collect personal information

Direct from **individuals**, their representatives or information they have made public, for example, on social media.

From other persons or organisations, for example:

- credit reference and/or fraud prevention agencies
- emergency services, law enforcement agencies, medical and legal practices
- insurance industry registers and databases used to detect and prevent insurance fraud, for example, the Motor Insurance Database (MID), the Motor Insurers Anti-Fraud and Theft Register (MIAFTR) and the Claims and Underwriting Exchange (CUE)
- insurance investigators and claims service providers
- other insurers or service providers who underwrite the insurance or provide the services for **our** products
- other involved parties, for example, claimants or witnesses.

Fair Processing Notice – how we use personal information continued

6. Sharing personal information

We may share personal information with:

- other companies within the global Allianz Group www.allianz.com
- credit reference, fraud prevention and other agencies that carry out certain activities on **our** behalf, for example, the Motor Insurance Database (MID), the Insurance Fraud Bureau (IFB) and marketing agencies if agreed
- **our** approved suppliers to help deal with claims or provide **our** benefit services, for example, vehicle repairers, legal advisors and loss adjusters
- other insurers, third party underwriters, reinsurers, insurance intermediaries, regulators, law enforcement and the Financial Ombudsman Service (FOS); and other companies that provide services to **us** or **you**, for example, the Employers Liability Tracing Office (ELTO) and the Claims and Underwriting Exchange (CUE)
- prospective buyers in the event that **we** wish to sell all or part of **our** business.

7. Transferring personal information outside the UK

We use servers located in the European Union (EU) to store personal information where it is protected by laws equivalent to those in the UK. **We** may transfer personal information to other members of the global Allianz Group to manage the insurance policy or claim; this could be inside or outside the EU. **We** have Binding Corporate Rules (BCR's) which are **our** commitment to the same high level of protection for personal information regardless of where it is processed. These rules align with those required by the European Information Protection authorities. For more information about BCR's, contact **our** Data Protection Officer.

Some of **our** suppliers have servers outside the EU. **Our** contracts with these suppliers require them to provide equivalent levels of protection for personal information.

8. How long we keep personal information

We keep information only for as long as **we** need it to administer the policy, manage **our** business or as required by law or contract.

9. Know your rights

Any **individual** whose personal information **we** hold has the right to:

- object to **us** processing it. **We** will either agree to stop processing or explain why **we** are unable to (the right to object)
- ask for a copy of their personal information **we** hold, subject to certain exemptions (a data subject access request)
- ask **us** to update or correct their personal information to ensure its accuracy (the right of rectification)
- ask **us** to delete their personal information from **our** records if it is no longer needed for the original purpose (the right to be forgotten)
- ask **us** to restrict the processing of their personal information in certain circumstances (the right of restriction)
- ask for a copy of their personal information, so it can be used for their own purposes (the right to data portability)
- complain if they feel their personal information has been mishandled. **We** encourage **individuals** to come to **us** in the first instance but they are entitled to complain directly to the Information Commissioner's Office (ICO) www.ico.org.uk
- ask **us**, at any time, to stop processing their personal information, if the processing is based only on **individual** consent (the right to withdraw consent).

If you wish to exercise any of these rights please contact our Customer Satisfaction Manager:

Address: Customer Satisfaction Manager, Allianz, 57 Ladymead, Guildford, Surrey, GU1 1DB

Email: accsm@allianz.co.uk

Phone: 01483 552438

10. Allianz (UK) Group Data Protection Officer Contact details

Allianz Insurance plc and Allianz Engineering Inspection Services Limited are companies within the Allianz Holdings.

Any queries about how **we** use personal information should be addressed to **our** Data Protection Officer:

Address: Data Protection Officer, Allianz, 57 Ladymead, Guildford, Surrey GU1 1DB

Email: dataprotectionofficer@allianz.co.uk

Phone: 0330 102 1837

Fair Processing Notice – how we use personal information continued

Changes to our Fair Processing Notice

Occasionally it may be necessary to make changes to this fair processing notice. When that happens **we** will provide an updated version at the earliest opportunity. The most recent version will always be available on **our** website www.allianz.co.uk.

Consent for Special Categories of Personal Data

The global Allianz Group may need to collect and process data relating to **individuals** who may benefit from the policy (“Insured Persons”), which falls within the special categories of personal data under Data Protection Legislation, for example, medical history or convictions of Insured Persons for the purpose of evaluating the risk and/or administering claims which may occur. You must ensure that you have explicit verbal or written consent from the Insured Persons to such information being processed by the global Allianz Group and that this fact is made known to the Insured Persons.

By applying for and/or entering into this insurance policy you will be deemed to specifically consent to the use of the Insured Persons Personal Data in this way and for these purposes and that your directors, officers, partners, and employees have consented to the global Allianz Group using their details in this way.

Allianz also provide the following covers:

Machinery

All Machinery
Machinery Movement
Machinery Options
Property Engineering

Contractors

Construction Select

Electronics

Computer
Electronic Equipment

Consequential Loss

Deterioration of Stock
Machinery Business Interruption

www.allianzengineering.co.uk

Allianz Insurance plc. Registered in England number 84638. Registered office:
57 Ladymead, Guildford, Surrey, GU1 1DB, United Kingdom.

Allianz Insurance plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register number 121849.
Allianz Engineering is a trading name used by Allianz Insurance plc.



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