

# CONSTRUCTION SELECT

At Allianz Insurance plc, we constantly review our products to ensure we remain at the forefront of the market. Following our latest review, we are delighted to tell you that with effect from renewal all existing Policies will now be provided with our most up-to-date wording.

## BACKGROUND

We are delighted to tell you that we have made a number of improvements to our Construction Select wording. These changes are focused around enhancing the cover provided in a number of areas. Where there are any enhancements or possible restriction in cover previously provided, we have made this clear in the following summary of key changes.

Your Construction Select Policy will be replaced by this updated wording, so please read the new policy wording carefully to ensure it meets your needs.

The summary of key changes provides information on those changes that potentially make a material difference to the cover provided. We have also made a number of minor changes to the Policy that simply clarify the cover provided which are not detailed below. These include amending the titles of some Extensions, Exclusions and Conditions, and rewording some paragraphs to make them easier to read.

All existing customers will benefit from the new wording at renewal of their Policy on or after 1 November 2017. We would like to stress that if your current Policy carries any non-standard covers which are not included within the new Policy, we will include them in the Schedule attached to your new Policy.

**The guidance provided below does not nor is intended to represent the complete terms and conditions of the new Policy wording. Please read this guidance in conjunction with your new Policy wording and Schedule. If you have any questions about the new Policy, please refer these to your Insurance Adviser.**

A copy of the relevant Sections of the new Construction Select Policy wording will be provided with your renewal documents. Alternatively, these can be obtained by contacting your Insurance Adviser.

## COVER ENHANCEMENTS

The scope of policy cover has been greatly enhanced, and clients will automatically benefit from the addition of a number of new extensions covers, which have been included free of charge. A summary of key changes by section are shown below.

## OTHER AMENDMENTS

- Some clarifications of cover are being made and also some minor cover limitations are being introduced; see the summary of key changes below for details.
- The separate Theft Section is being discontinued. Theft will be available as a selectable event under the Material Damage and Business Interruption Events Sections (it is already included as standard under the All Risks Sections).
- A number of automatically applied clauses, normally shown in the schedule, have been incorporated into the standard policy wording.
- Some covers previously only available on request have now been automatically included into the standard wording.
- A number of standard cover limits have been significantly increased.
- There are also a number of cosmetic and other amendments to clarify cover.

# CONSTRUCTION SELECT – SUMMARY OF KEY CHANGES

A summary of the key changes is detailed below. Please read this guidance in conjunction with your new Policy wording and Schedule.

## CONSTRUCTION SELECT – POLICY INTRODUCTION

### General Definitions

The following definitions have been deleted and are now included when relevant in the Policy Sections:

- Employee
- Offshore Installations

In addition, the following amendments have been made to the Definitions as shown below:

- Business has been amended to read “The Business Description stated in the Schedule”. The wider definition scenarios previously highlighted in paragraphs a – I continue to apply at the relevant Section level, when the Contractors Employers’ and/or Contractors Public Liability Sections apply.
- Period of Insurance has been amended to read “The period from the Effective Date to the Renewal Date (or Expiry Date for non-renewable Policies) as shown in the Schedule”.
- Total Sum Insured has been amended to read “The total of the Sums Insured for each item payable by the Insurer under any Section”.

### General Exclusions

**Exclusion 1 Radioactive Contamination** has been amended to read:

“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 **a** and **b** do not apply to the Contractors Employers’ Liability Section other than in respect of:

- i** the liability of any principal
- ii** liability assumed by the Insured under a contract or agreement which would not have attached in the absence of such contract or agreement.

Exclusions **c** and **d** do not apply to the Contractors Employers’ Liability, Contractors Public Liability, Personal Accident and Business Travel Sections.”

Please also note that the order of General Exclusions 3 to 5 has been changed, although the wordings are unaltered.

## GENERAL CONDITIONS

The Premium Adjustment condition has been deleted from the General Conditions, and now applies as appropriate within the Section wordings.

## PROPERTY DAMAGE SECTION

### COVER ENHANCEMENTS

The following enhancements to cover have been introduced:

- **European Union and Public Authorities (and Undamaged Property)** Cover includes the cost of complying with European Union and Public Authorities requirements. Including the costs relating to undamaged portions of the buildings subject to a limit of 15%.
- **Theft Damage to Occupied Buildings** Cover extended in respect of damage by theft to the fabric of the buildings, by way of the addition of a specific extension to cover. Cover will exclude loss involving any person legally on the premises or damage to unoccupied premises unless agreed otherwise by us. An excess of £500 normally applies unless cover is already subject to a higher amount.
- **Loss Minimisation and Prevention Expenditure** Cover includes costs and expenses incurred by you with our consent in preventing or reducing imminent damage which would have been insured or reducing mitigating or otherwise alleviating damage during and after it has occurred. Cover will exclude costs and expenses in respect of damage that was reasonably foreseeable earlier and would be the natural outcome if such costs and expenses are not incurred, and damage arising from any defect in the property insured. A limit of £25,000 in respect of any one claim applies.
- **General Interests** Extends cover to automatically note the interest of other parties as requested by you and notified to us in the event of damage.
- **Reinstatement to Match** Extends the basis of settlement for Computer Equipment. Where repair of property is impractical or replacement by similar property to a condition equal to its condition when new is impossible then the client may repair or restore the property with equivalent property which employs current technology.

- **Pairs and Sets**

Cover includes the cost of replacement, repair or modification of undamaged parts that form part of a matching set of articles or suite of common design or function where the damage is restricted to a clearly identifiable area or to a specific part, provided that our total liability is not increased beyond the amount that would have been payable for replacement repair or modification of the whole property forming a set, suite, common design or function if such property had been wholly destroyed.

- **Leased and Rented Premises – Difference in Conditions/ Limits**

Cover extends to include damage to buildings and fixtures and fittings which are insured under a more specific insurance but for which the Insured are legally liable as tenant and not as owner in accordance with the requirements of a lease (but only when the insured perils and/or definitions and/or conditions set forth in this section are broader in meaning or scope than those of such more specific insurance). Should such more specific insurance by virtue of its terms, conditions or limits of liability fail to indemnify the Insured, to the extent that such indemnity is not provided by such more specific insurance but which would have been had such more specific insurance followed the terms, conditions, exclusions and limits of the cover under our policy. A limit of £1,000,000 in respect of any one claim applies. Cover will not apply in respect of any shortfall in the indemnity provided by such more specific insurance due solely to the operation of any Average (Underinsurance) condition or in respect of any damage due to any act of Terrorism.

- **Further Investigation Expenses**

Extends cover following damage with the prior consent of the Insurer to include the costs of checking for further damage, where there is a possibility of further damage that is not immediately apparent. A limit of £5,000 in respect of any one claim applies.

- **Fire Brigade**

Extends cover to include the reasonable costs charged by any Public Authority relating to the extinguishing or fighting of fire subject to the overall sum insured.

- **Continuing Interest and Hire Charges**

Extends cover following damage to include continuing interest or hire charges where the Insured are liable under contract and these are not recoverable under the terms of a lease or similar agreement. A limit of £10,000 any one claim and in total in any one period of insurance applies.

- **Obsolete Building Materials**

Extends the Buildings basis of settlement to include additional costs incurred in replacement of obsolete materials, subject to a 10% limit of the sum insured.

- **Contract Works**

Provides cover for Buildings in respect of any permanent or temporary works undertaken as part of a Contract for which you are responsible under the terms of the Contract up to an amount of £250,000 any one Contract.

- **Contractors Interest**

We agree to note the interest of a Contractor or Sub-Contractor in the insurance, subject to any Contracts valued at £250,000 or above being advised to us prior to the commencement of work.

- **Value Added Tax**

Extends cover to include any additional liability for VAT that may be incurred in respect of the self supply of land in order to reinstate or repair property following damage.

- **Inadvertent Omission to Insure**

Provides cover for properties which have been inadvertently left uninsured up to £1,000,000 in respect of buildings and contents for any one property.

- **Property Stored**

Cover extends to include Stock whilst elsewhere than at the Premises and within the UK, excluding damage caused by theft or attempted theft. A limit of 10% of the Sum Insured on Stock or £250,000 whichever is the less applies.

- **Sprinkler Installation Upgrading Costs**

Extends cover to include the increased costs if we require the reinstating of sprinkler systems to comply with the latest regulations (provided that at the time of damage the installation conformed to the 28th or 29th Edition Loss Prevention Council rules), up to a limit of 20% of the Buildings sum insured for the premises damaged.

- **Unauthorised Use of Supplies**

Covers the unauthorised use of water, gas, electricity oil or other metered supply charges up to an amount of £25,000 any one claim.

- **Drains, Sewers and Gutters**

Cover extends to include costs incurred and agreed by us for cleaning and/or clearing of drains, sewers and gutters and for which you are responsible, following insured damage.

- **Moulds, Tools and Dies**

Cover extends to include your moulds, tools, and dies or those you are responsible for, at the premises or at any premises not in your occupation and whilst in transit to and from by road rail or inland waterway in Great Britain. A limit £250,000, or the Sum Insured whichever is the less applies at the time of damage.

- **Branded Goods**

Extends cover so that any salvage of branded or labelled merchandise will not be disposed of by sale without your consent. If salvage is not disposed of by sale then damage will be assessed at the value agreed between you and us at the settlement of the loss. You may at our expense stamp "salvage" on the merchandise or its containers or may remove or obliterate the brands or labels if such stamp removal or obliteration will not physically further damage the merchandise and provided you re-label the merchandise or containers in compliance with the requirements of law.

- **Undamaged Stock**

Following insured damage the basis of settlement extends to include the loss you incur (less the value of any salvage) in the event of undamaged Stock deteriorating and/or being condemned or otherwise becoming unusable, or which you are obliged under contract to accept from any other party but are unable to use. Cover is limited to 15% of the sum insured on stock.

- **Fixed Glass and Sanitary ware**

Cover extends to include fixed shelves, showcases and mirrors, fixed sanitary ware, and neon and illuminated signs.

- **Fire Extinguishers and Sprinklers**

Cover extends to include costs you incur in re-filling recharging or replacing local or fixed fire suppression systems or sprinkler installations, and having any fire and/or intruder alarms and closed circuit television equipment re-set in consequence of insured damage. We shall not be liable in respect of any costs and expenses recoverable from the maintenance company or fire service and you shall maintain all such equipment in accordance with the manufacturer's instruction under contact with a company approved by us. A limit of £25,000 any one claim applies.

- **Interested Parties**

Existing clause replaced by Freeholders, Lessors and Mortgagees clause automatically noting the interest of such parties. A Non Invalidation clause also protects their interest in the event of any alteration or act or neglect of any Leaseholder or Lessee or Mortgagor or occupier without the authority or knowledge of the Freeholder, Lessor or Mortgagee. In addition a General interest clause has also been added automatically noting the interest of any other party if requested by you subject to their identity being disclosed in writing to us by you in the event of damage. A separate Contracting Purchasers Interest clause has been added.

- **Undamaged Tenants Improvements**

In the event of damage by a Specified Event to Buildings or Contents in consequence of which the Insured's lease is terminated by the Lessor pursuant to a valid condition of the Insured's lease, cover extends to include the value of undamaged tenants fixtures, fittings, alterations, installations or additions, made at the expense of the Insured and which cannot legally be removed, in or on a Building occupied but not owned by the Insured. Cover excludes retaining walls, foundations or supports below the surface of the lowest floor or basement and outdoor trees shrubs plants or lawns. A limit of £100,000 any one claim applies.

- **Motor Vehicles**

Provided they are more specifically insured, cover extends to indemnify the Insured for loss or destruction or damage to motor vehicles licensed for road use owned or leased by the Insured whilst parked at the premises in respect of any amount over and above that recoverable under such more specific insurance.

- **Foundations**

Cover for buildings extends to include an amount in respect of foundations. If following damage, re-building is carried out upon another site, the Insurer agrees to treat abandoned foundations as damaged, whether or not such foundations are damaged. Where abandoned foundations increase the resale value of the original building site, the increased value shall be regarded as salvage.

- **Subsidence Cover**

Automatically included in All Risks Sections unless cover not selected by the Insured or we advise you otherwise.

- **Contracting Purchaser's Interest**

If at the time of damage the insured has contracted to sell their interest in any building insured, and the purchase has not been, but is subsequently completed, the purchasers on completion of the purchase shall be entitled to benefit under this section until completion, to the extent that such building is not otherwise insured by the purchaser or on their behalf.

- **Metered Utilities**

In addition to metered Water, cover has been extended to include metered gas, electricity, oil or other metered supply charges. Up to a limit of £25,000 any one claim.

## INCREASED LIMITS

Limits for the following extensions of cover have been increased:

EXTENSION OF COVER	LIMIT INCREASED TO
Alterations and Additions	£1,000,000 or 10% of the buildings, machinery or plant sum insured whichever is the lesser
Trace and Access	£25,000
Locks and Keys	£25,000

## NEW DEFINITIONS

The following new definition has been added:

- **Contract Works**

A Definition has been included to provide the relevant scope of cover in respect of the contract works extension (referred to above). Please refer to the Section wording for full details.

## AMENDED DEFINITIONS

The following definitions have been amended:

- **Buildings**

Nature of construction stipulation deleted.

- **Contents**

Definition widened; computer systems records limit deleted, rare books or works of art added with limits of £5,000 any one article or £10,000 in total, tobacco, wines and spirits held for business entertainment purposes added limit £1,000, contents of fuel tanks added with limit of £2,000, personal effects limit increased to £1,000, cover for visitors' personal effects deleted.

- **Premises**

The word "solely" has been deleted before "occupied" and now reads "occupied by the Insured".

- **Unoccupied**

Definition extended, with operative period now commencing after 30 consecutive days.

## **BASIS OF SETTLEMENT**

Amended as follows:

- **Basis of Settlement**

Clarification of the operation of the Limit of Liability where there is more than one insured party.

- **Index Linking**

Clarified that indexing operates unless the client advises us to the contrary, and that linking continues during the period of reinstatement provided that work is commenced and carried out without unreasonable delay.

- **Automatic Reinstatement**

Extended to include theft damage subject to us not advising otherwise within 30 days of damage, and implementation of any risk reduction measures advised by us.

- **Excess**

Clarified that this will apply to each loss at each separate premises.

## **EXCLUSIONS**

- **Damage in Northern Ireland**  
Exclusion deleted.

## **SECTION CONDITIONS**

The following Conditions have been amended/added:

- **Precautions**

Existing condition has been extended to include the need for reasonable precautions to keep property insured secure.

- **Unoccupied Premises**

Existing condition has been amended to clarify the clients' obligations to advise us as soon as they become aware that any buildings or parts of building become unoccupied, and that we will advise the client of the terms and conditions that will apply to such buildings and that an additional premium may be required. The precautions to be taken by the client during periods of unoccupancy have been revised and require an internal and external inspection of the buildings to take place at least once every seven days and that a record of such inspections is kept.

The client must also ensure that any defects in the condition or state of repair of the buildings or defects in security or fire protection are attended to immediately. The client must also notify us immediately if the buildings are to be occupied by contractors undertaking any work. The client is also required to complete any risk improvements we may require within the timescale specified by us. Note that this remains a condition precedent to our liability and cover may not operate if the terms of this condition are not fully complied with.

- **Intruder Alarm Condition**

This condition has been included with the Section wording, and will apply where your premises are protected by an intruder alarm installation, unless agreed otherwise by us. Currently this condition will normally be shown on your Schedule as an additional Clause. The wording will follow that previously used, however, it does clarify the duties of Keyholders. In the event of notification of activation of or any fault in the Alarm Installation or interruption of the means to transmit or receive signals during any period when the Alarm has been set, a Keyholder must attend the Premises as soon as possible in order to confirm the security of the Premises and reset the Intruder Alarm System in its entirety. In addition if the Intruder Alarm System cannot be reset in its entirety or if all the means of communication used to transmit signals are not in full operation a Keyholder must remain at the Premises, unless we agree otherwise in writing.

## **BUSINESS INTERRUPTION SECTION**

### **COVER ENHANCEMENTS**

Depending on the basis of settlement selected, the following enhancements to cover may apply:

- **Salvage Sale**

Amends the basis of settlement following insured damage, to allow for the benefits of you holding a salvage sale to be reflected in the definition of turnover.

- **Accumulated Stocks**

Amends the basis of settlement to allow for a reduction in turnover being postponed by reason of turnover being temporarily maintained from accumulated stocks of finished goods in warehouses or depots.

- **Claims Preparation Expenses**

Cover extends to include costs, expenses and charges incurred by you in producing and certifying any particulars or details required by us in connection with any claim, which are incurred with our consent and for which we have admitted liability. Costs are limited to those incurred by employees and the cost of materials used, together with charges payable by you to your auditors or professional accountants for producing information we may require. A limit of £25,000 applies in addition to the Sums Insured or Limits applying, and cover is subject to a £500 Excess.

- **Fines and Damages**

Cover extends to indemnify you against fines, penalties or damages imposed by the conditions of any contract between you and a customer for breach of contract and the amount payable shall be such sums as you shall be legally liable to pay and shall pay in discharge of fines, penalties or damages for non-completion or late completion of order or contracts or in respect of cancellation of orders or contracts as a result of damage and interruption for a period up to 12 months at your premises. A limit of £10,000 applies.

- **Additional Rent – Data Processing and Ancillary Equipment**

Cover extends to indemnify you following damage and interruption at your premises against the payment of additional rental arising for any data processing and/or ancillary equipment necessitated by the cancellation of the lease/hire contract and its replacement by a new contract for similar equipment for a period up to 12 months or until the expiry of the lease/hire contract whichever is the sooner. A limit of £25,000 applies.

- **Research and Development Costs**

Cover extends to indemnify you in respect of additional expenditure necessarily and reasonably incurred to re-constitute records and re-work projects and to restore research and development projects to a state substantially similar to that which existed before the date of the damage. Cover applies for a period up to 12 months and a limit of £25,000 applies.

- **Essential Personnel**

Cover extends to include additional expenditure necessarily and reasonably incurred as a consequence of the death or permanent disablement of any principal director or partner of the Insured by accidental and external means preventing the carrying out of their usual employment or occupation for the sole purpose of avoiding or diminishing any interruption of or interference with the business carried on by the Insured at the premises which but for that expenditure would have taken place during the Indemnity Period. Cover applies for a period up to 12 months and a limit of £25,000 any one claim applies.

- **Public Relations Expenses**

Cover extends to include the additional expenditure necessarily and reasonably incurred during the indemnity period of employing suitable public relations personnel to deal with press and public announcements and other activities in the event of business interruption at the premises. Cover applies for a period up to 3 months and a limit of £10,000 any one claim applies.

- **Theft Damage to Buildings**

Cover extended to include Business Interruption caused by or following theft or attempted theft to a building or part of a building where insured under the Theft Damage to Buildings extension under the Property Damage Section.

- **Subsidence Cover**

Automatically included in All Risks Sections unless cover is not selected by the Insured or we advise you otherwise.

## EXTENSIONS

The following Extensions to cover have been added:

- **Failure of Supply**

Cover extends to include interruption of or interference to your business resulting from the accidental failure of supply of:

- electricity at the terminal ends of the service provider's feeders at the premises
- gas at the service provider's meters at the premises
- water at the service provider's main stop cock serving the premises
- land-based telecommunications services (excluding intranet or extranet services) at the incoming line terminals or receivers at the premises
- other telecommunications services at the incoming line terminals or receivers at the premises

There are a number of exclusions and limitations applying to this cover:

- cover excludes any claim for Business Interruption insured under the Supply Undertakings Extension
- cover does not apply in respect of the first 4 hours of interruption or interference, increased to 12 hours for land-based telecommunications services and other telecommunications services, but does apply in full if interruption or interference exceeds these periods of time
- cover excludes any claim resulting from failure caused by:
  - the deliberate act of any supply undertaking or by such undertaking withholding or restricting supply or services not performed for the sole purpose of safeguarding life or protecting the supply undertaking's system
  - strikes or any labour or trade dispute
  - drought
  - other atmospheric or weather conditions, but this shall not exclude failure due to damage caused by such conditions

cover also excludes any claim resulting from:

- the failure of any overhead transmission and distributing lines and their supporting structures, other than those within one mile of the Premises
- failure of telecommunications services via satellite
  - i** due to the failure of any satellite prior to its attaining its full operating function or whilst in or beyond the final year of its design life
  - ii** in the event of temporary interference with transmissions to and from such satellites due to atmospheric weather, solar or lunar conditions
  - iii** resulting from the transfer of the Insured's satellite facility to another party
- in respect of land-based telecommunications services and other telecommunication services the Maximum Indemnity Period is limited to three months.
- a limit of £25,000 applies.

- **Exhibition Sites**

Cover extends to include interruption of or interference to your business due to damage at any exhibition site within the United Kingdom where you are exhibiting goods or services. Cover excludes exhibition sites under canvas or in the open, and a limit of £25,000 any one claim applies.

- **Moulds, Tools and Dies**

Cover extends to include interruption of or interference to your business due to damage to moulds, tools, and dies belonging to you or for which you are responsible whilst at the premises or any premises not in your occupation and whilst in transit thereto and therefrom by road, rail or inland waterway in the United Kingdom. A limit of £25,000 any one claim applies.

The following existing extensions have been amended:

- **Supply Undertakings**

Cover continues to apply in consequence of an event insured by the Business Interruption Section, but has been widened to include both

- A** Damage to property at the land-based premises of any supply undertaking service provider or producer in the United Kingdom, and
- B** Damage to property comprising any land-based cable, pipe or pylon, the property of any supply undertaking service provider or producer in the United Kingdom, connecting to the terminal connecting point at your premises

from which you obtain electricity (including generating stations or sub-stations), gas (including any natural gas producer linked directly therewith), water (including works and pumping stations) or telecommunications services.

Telecommunications services has been divided to differentiate between:

- i** telecommunications services (other than intranet or extranet services), and
- ii** other telecommunications services.

In respect of **B**, cover does not operate until there has been a cessation of supply for at least two hours, after which cover applies for the full period of interruption or interference to your business.

Cover in respect of damage to cables, pipes or pylons to the terminal connecting point at your premises will exclude damage to any overhead transmission or distributing lines or their supporting structures located over one mile from your premises.

A limit of £10,000,000 any one claim applies unless we have agreed otherwise.

- **Denial of Access**

Amended in that damage must occur in the immediate vicinity of your premises.

## DEFINITIONS

The following definitions have been amended:

- **Premises**

The word "solely" has been deleted before "occupied" and now reads "occupied by the Insured".

- **Unoccupied**

Definition extended, with operative period now commencing after 30 consecutive days.

## BASIS OF SETTLEMENT

Amended as follows:

- Clarification of the operation of the Limit of Liability where there is more than one insured party.
- **Automatic Reinstatement**

Extended to include theft damage subject to us not advising otherwise within 30 days of damage, and implementation of any risk reduction measures advised by us.

## BASIS OF SETTLEMENT ADJUSTMENTS

- **Auditors and Accountants Charges (re-titled from Accountants Charges)**

Extended to include auditors charges.

## EXCLUSIONS

- Damage in Northern Ireland exclusion deleted.

## MONEY SECTION

Increased Cover Limit – the limit for Non Negotiable Money has been increased to – £1,000,000.

### DEFINITIONS

The following new definition has been added:

- **Unattended**

Any vehicle with no person in charge or where neither the Insured nor any employee are in a position to keep the vehicle under observation and able to observe or prevent any attempt by any person to interfere with the Vehicle.

### EXTENSIONS

The following extension to cover has been added:

- **Credit Card**

Cover extends to include your legal liability for costs necessarily incurred as a result of use by an unauthorised person of bank cards credit cards, charge, cards or debit cards either belonging to you or for which you are responsible in respect of loss incurred and arising before the card company has received notification that a card has been lost or stolen. Cover will not apply in respect of:

- a loss brought about by any failure to comply with the terms under which the card was issued
- b any card issued personally to your directors, partners or employees
- c losses arising after 48 hours from discovery of the loss of the card
- d losses covered in whole or in part by any other insurance .

A limit of £1,000 in respect of any one claim will apply.

### EXCLUSIONS

The following exclusions have been added:

- Loss resulting directly or indirectly from forgery, fraudulent alteration or substitution, fraudulent use of a computer or electronic transfer.
- Loss resulting from use of any form of payment which proves to be counterfeit, false, invalid, uncollectible or irrecoverable for any reason.

The following exclusions have been amended:

- Exclusion 6 is amended to read as follows:  
Loss or shortage due to depreciation, currency, fluctuations, consequential loss or damage of any kind or description.
- The previous Exclusion 8 which related to loss, damage, death, accident, disablement or emotional stress arising in consequence of riot or civil commotion in Northern Ireland has been deleted.

## BASIS OF SETTLEMENT ADJUSTMENTS

The following extension to cover applies:

- **Security Company Contingency Cover**

Cover extends to indemnify you in respect of loss of Money in the custody of a security company if in the event of loss you are unable to recover such Money from the security company under the terms of the agreement with the security company. Provided that:

- a there must be in force an agreement in respect of Money in the custody of a security company
- b you must provide us with a copy of the agreement with the security company at the inception of cover
- c you must obtain our written agreement before any changes are made to the agreement
- d you must comply with the terms of the agreement.

### SECTION CONDITIONS

The following Conditions have been amended/added:

- **Precautions**

Existing condition has been amended to be a condition precedent to our liability.

- **Transit**

The limits in respect the amounts in the personal custody of you or your employees have been amended to:

- a two able bodied adults when excess of £7,500
- b three able bodied adults when excess of £15,000.

- **Intruder Alarm Condition**

This condition has been included with the Section wording, and will apply where your premises are protected by an intruder alarm installation, unless agreed otherwise by us. Currently this condition will normally be shown on your Schedule as an additional Clause. The wording will follow that previously used, however, it does clarify the duties of Keyholders. In the event of notification of activation of or any fault in the Alarm Installation or interruption of the means to transmit or receive signals during any period when the Alarm has been set, a Keyholder must attend the Premises as soon as possible in order to confirm the security of the Premises and reset the Intruder Alarm System in its entirety. In addition if the Intruder Alarm System cannot be reset in its entirety or if all the means of communication used to transmit signals are not in full operation a Keyholder must remain at the Premises. Unless we agree otherwise in writing.



## OWN GOODS IN TRANSIT SECTION

### DEFINITIONS

A new definition has been added:

- **Unattended**

Any Vehicle with no person in charge or where neither the Insured nor any employee are in a position to keep the Vehicle or Goods under observation and able to observe or prevent any attempt by any person to interfere with the Vehicle or Goods.

### BASIS OF SETTLEMENT

- **Automatic reinstatement clause amended to read as follows:**

In consideration of cover by this Section not being reduced by the amount of any claim and in the absence of written notice by us to the contrary within 30 days of the notification of any loss or damage the Insured will pay the appropriate additional premium on the amount of the claim from the date of loss or damage to the expiry of the Period of Insurance and agree to comply with any security recommendations or other measures we may require to reduce the risk of further loss or damage.

### BASIS OF SETTLEMENT ADJUSTMENTS

- **Average (Underinsurance)**

Adjustment 1 has been deleted.

New Basis of Settlement adjustment added:

- **FOB Conditions**

Cover includes loss of or damage to Goods forwarded under FOB conditions, within Great Britain, Northern Ireland, the Isle of Man and the Channel Islands, for a period not exceeding 30 days from the commencement of Transit in respect of any one consignment whilst at dockside/airside or in temporary warehousing until placed on board ship or aircraft.

### EXCLUSIONS

The following exclusions have been amended:

- Cover Exclusion **2f** has been amended to read as follows: Delay or loss of market confiscation or detention by Customs or other officials.
- Exclusion **6** loss or damage in Northern Ireland, has been deleted.

### SECTION CONDITIONS

The following conditions have been amended/added:

- **Precautions**

Existing condition has been amended to be a condition precedent to our liability.

The following conditions have been added:

- **Vehicle Security Protections**

It is a condition precedent to the liability of the Insurer that additional protections to any Vehicle required by the Insurer shall:

- A** be installed in accordance with the specification agreed by us
- B** not be altered or varied unless agreed in writing by us
- C** be kept in full and working order at all times
- D** where appropriate to the type of protection, be serviced under a maintenance contract
- E** be secured or set whenever the Vehicle is left loaded and Unattended with all keys or other portable operating devices being kept in the personal custody of the driver of the Vehicle or of any other person authorised to be in the Vehicle.

- **Declaration Condition**

If the premium or part of any premium is calculated on estimates supplied to us by or on behalf of the Insured, the Insured shall keep a record of all such relevant particulars and shall allow the Insurer to inspect such records at any reasonable time.

You shall furnish the Insurer with such information as the Insurer may require at the expiry of each Period of Insurance, within the period specified by the Insurer. The premium shall be adjusted annually and any difference shall be paid by or returned to the Insured subject to any agreed minimum or deposit premium specified in the Schedule.

## SPECIFIED ALL RISKS SECTION

### DEFINITIONS

A new definition has been added:

- **Unattended**

Any Vehicle with no person in charge or where neither the Insured nor any employee are in a position to keep the Vehicle or Goods under observation and able to observe or prevent any attempt by any person to interfere with the Vehicle or Goods.

### BASIS OF SETTLEMENT

- **Automatic Reinstatement**

Extended to include theft damage subject to us not advising otherwise within 30 days of damage, and implementation of any risk reduction measures advised by us.

### EXCLUSIONS

Damage in Northern Ireland exclusion deleted.

## BASIS OF SETTLEMENT ADJUSTMENT

The existing Interested Parties clause is deleted and replaced by:

- **General Interests**

Extends cover to automatically note the interest of other parties as requested by you and notified to us in the event of damage.

## SECTION CONDITIONS

The following Conditions have been added:

- **Vehicle Security Protections**

It is a condition precedent to the liability of the Insurer that additional protections to any Vehicle required by the Insurer shall:

- A** be installed in accordance with the specification agreed by the Insurer
- B** not be altered or varied unless agreed in writing by the Insurer
- C** be kept in full and working order at all times
- D** where appropriate to the type of protection, be serviced under a maintenance contract
- E** be secured or set whenever the Vehicle is left loaded and Unattended with all keys or other portable operating devices being kept in the personal custody of the driver of the Vehicle or of any other person authorised to be in the Vehicle.

- **Intruder Alarm Condition**

This condition has been included with the Section wording, and will apply where your premises are protected by an intruder alarm installation, unless agreed otherwise by us. Currently this condition will normally be shown on your Schedule as an additional Clause. The wording will follow that previously used, however, it does clarify the duties of Keyholders. In the event of notification of activation of or any fault in the Alarm Installation or interruption of the means to transmit or receive signals during any period when the Alarm has been set, a Keyholder must attend the Premises as soon as possible in order to confirm the security of the Premises and reset the Intruder Alarm System in its entirety. In addition if the Intruder Alarm System cannot be reset in its entirety or if all the means of communication used to transmit signals are not in full operation a Keyholder must remain at the Premises.

## CONTRACTORS EMPLOYERS' LIABILITY SECTION

### DEFINITIONS

The following definitions have been moved from the Policy Definitions into this section:

- **Employee**

The only change is the removal of reference to "the Community Offenders Act 1978", as this is not necessary.

- **Business**

Unchanged.

- **Offshore Installations**

This has been redefined as:

- 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.

### COVER

Paragraph two of Cover **A** has been amended to clarify the scope of the Limit of Indemnity.

### EXTENSIONS

- **Court Attendance Compensation**

Daily limit increased to £750 in respect of any director and partner.

## SECTION CONDITIONS

The Premium Adjustment condition has been moved from the Policy Conditions into this section. The wording is unchanged.

## CONTRACTORS PUBLIC LIABILITY SECTION

### DEFINITIONS

The following definitions have been moved from the Policy Definitions into this section:

- **Employee**

The only change is the removal of reference to "the Community Offenders Act 1978" as this is not necessary.

- **Business**

Unchanged

- **Offshore Installations**

This has been redefined as:

- 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.

## EXTENSIONS

The following new extensions have been included:

- **Legionellosis Liability**

£1,000,000 Limit.

- **Pollution Clean Up Costs**

£1,000,000 Limit and subject to a £2,500 excess.

- **Public Relations Expenses**

£10,000 any one occurrence and £25,000 in total in any one period.

- **Munitions Of War**

The following extensions are amended:

- **Court Attendance Compensation**

Daily limit increased to £750 in respect of any director and partner and £250 in respect of any employee.

- **Financial Loss**

Limit of indemnity increased to £50,000 and Excess amended to £1,000 or 10% of the compensation and costs and expenses payable whichever is the greater.

## SECTION CONDITIONS

The Premium Adjustment condition has been moved from the Policy Conditions into this section. The wording is unchanged.

## OPTIONAL ADDITIONAL EXTENSIONS

Optional Cover Extensions in respect of "Asbestos – Accidental Discovery Write Back Extension" and "Part Products Extension" are detailed, but these covers do not apply unless the cover has been requested, accepted and invoked by endorsement. An additional premium will usually be required to include.

## CONTRACTORS JCT 6.5.1. SECTIONS

The hold cover period has been increased from 21 to 28 days.

For improved clarity the headings for Exclusion numbers **1** and **3** have been updated to read:

- 1** Damage to the Works and other property and
- 3** Fines Penalties Liquidated and Punitive Damages

We have also improved the clarity of Exclusion **2d** which has been amended to read:

- 2d** Which is the responsibility of the Employer to insure as applicable under the JCT Conditions of Contract.

## CONTRACTORS ALL RISK SECTION

The Contractors All Risks Section has been replaced by two new Sections:

- 1** Contract Works Construction Section
- 2** Contractors Plant Section

As applicable, one or both of these sections will replace your existing Contractors All Risk Section, a summary of the changes applicable are highlighted below:

## 1 CONTRACT WORKS CONSTRUCTION SECTION

### SECTION DEFINITIONS

#### New Section Definitions

- **Additional Cost Of Construction**

New Definition added to clarify the new Cover for Additional Cost of Construction. This both improves and clarifies the cover provided. Definition reads as follows: The additional amount by which the cost of Contract Works uncommenced or unbuilt at the date of the loss or damage shall exceed the cost which would have been incurred but for the occurrence of the loss or damage.

- **Premium Adjustment**

This new definition ties into Section Condition **3** Declarations which replaces the previous General Condition **10** Premium Adjustment in the Introduction and has been added to clarify the wording. Please refer to the Section wording for full details.

- **Business** (overrides the General Definition)

This new definition now overrides the Policy Definition in the Policy Introduction and has been added to clarify the wording. Definition reads as follows: The undertaking of the Contract Works shown in the Schedule.

- **Commissioning**

This new definition ties into Section Extension **2** Breakdown or Explosion. This both improves and clarifies the cover provided. Please refer to the Section wording for full details.

- **Contract**

A Contract is defined as the agreement under which the Contract Works are undertaken. This Definition has been added to clarify the cover provided.

- **Contractor**

The Contractor is defined as the party undertaking the Contract Works on behalf of the Employer. This Definition has been added to clarify the cover provided.

- **Contract Site**

A Contract Site is where the Contract Works are performed. This Definition has been added to clarify the cover provided. Please refer to the Section wording for full details.

- **Employee**

An Employee is defined as any person under a contract of service or apprenticeship with the Contractor. This Definition has been added to clarify the cover provided.

- **Free Issue Materials**

This is a new definition within the overall definition of Property Insured and includes materials supplied by the Employer and for which the Insured is responsible under the terms of the Contract. This Definition has been added to clarify the cover provided. Please refer to the Section wording for full details.

- **Nuclear Material**

This new definition ties into Section Exclusion **21** Nuclear Site Risks. This has been added to clarify the wording. Please refer to the Section wording for full details.

- **Overnight**

This is defined as the hours between 9pm and 6am. This has been added to clarify the wording.

- **Practical Completion**

This is defined as the completion of construction apart from the decoration finishes and fitments that will be chosen by the purchaser or tenant. This has been added to clarify the wording.

- **Production Use or Storage of Nuclear Material**

This new definition ties into Section Exclusion **21** Nuclear Site Risks. This has been added to clarify the wording. Please refer to the Section wording for full details.

- **Speculative Developments**

This new definition ties into Section Extension **16** Speculative Developments. These are defined as Buildings constructed by the Insured other than under Contract. This has been added to clarify the wording.

- **Temporary Works**

This is a new definition within the overall definition of Property Insured and includes structures and their materials that are necessary for access to or support of the works. This has been added to clarify the wording. Please refer to the Section wording for full details.

- **Testing**

This new definition ties into Section Extension **2** Breakdown or Explosion. This both improves and clarifies the cover provided. Please refer to the Section wording for full details.

- **Unattended**

This is defined as where the Property Insured can be stolen or removed without the immediate intervention of the Insured or Employee. This has been added to clarify the wording.

- **Vicinity**

This is defined as within one mile of the situation of the Property Insured. This has been added to clarify the wording.

- **Vitiating Act**

This new definition ties into Section Extension **8** Joint Names or Multiple Insureds. A Vitiating Act is fraud material misrepresentation material non-disclosure or breach of any Condition in this Section. This has been added to clarify the wording.

## UPDATED SECTION DEFINITIONS

- **Contract Value**

This was previously referred to as Contract Price. This has been updated to clarify the wording. Please refer to the Section wording for full details.

- **Contract Period**

This definition has been updated for clarity and now reads as follows: The duration of the Contract (excluding the maintenance or defects liability period) or in respect of Speculative Developments the duration of the works to be completed in a single defined phase.

- **Employer**

This definition has been updated for clarity and now reads as follows: The party on whose behalf the Contract Works are undertaken (other than a director partner or Employee of the Contractor).

- **Property Insured**

This definition has been updated to remove reference to own plant and tools, hired in plant and temporary buildings as these are now covered in the new Contractors Plant Section. The new definition now makes reference to Contract Works, Employees Tools and Personal Effects, Free Issue Materials and Temporary Works. Please refer to the Section wording for full details.

- **Employees Tools and Personal Effects**

This definition has been updated for clarity and is now included within the definition of Property Insured as per the above.

- **Territorial Limits**

This definition has been amended from United Kingdom and any other member country of the European Union to Great Britain Northern Ireland the Isle of Man and the Channel Islands. The Section now provides a level of European cover within Section Extension **4** European Union. Please refer to the Section wording for full details.

## DELETED SECTION DEFINITIONS

- **Property Awaiting Sale**

Section Extension **16** Speculative Developments has been worded to avoid the need for this definition. Please refer to the Section wording for full details.

- **Maintenance Period of Insurance**

This definition has been deleted as it is covered under Cover **A** Contract Works paragraph **c** Maintenance. This fully explains what the maintenance period is and how long cover applies for. Please refer to the Section wording for full details.

- **Money**

This definition has been deleted as Section Exclusion **17** Money Legal or Promissory Documents now contains a full list of excluded items. Please refer to the Section wording for full details.

- **Unoccupied Building**

This Section Exclusion has been deleted as it does not link into any other part of the Section wording.

The following Section Definitions have been deleted as they are not relevant to the Contract Works Construction Section and have now been included in the Contractors Plant Section:

- Own Plant and
- Hired in Property
- Temporary Buildings
- Mechanically Propelled Plant

## COVER

The previous Cover Section has been re-worded into two separate headings of:

- 1** Cover with specific reference to the Contract Works (which now includes sub headings of cover for Transit, Contract Site and Maintenance), Additional Cost of Construction and Employees Tools and Personal Effects.
- 2** Section Extensions Please note the cover enhancements as below:

## SECTION EXTENSIONS

### New Section Extensions

- **Avoidance of Impending Damage**

This Section Extension has been added to improve the cover provided and covers the costs incurred by the Insured in taking reasonable exceptional measures to avoid or reduce impending loss or damage which would have resulted in a claim under this Section. This Section Extension is subject to provisions detailed in the extension wording; please refer to the Section wording for full details.

- **Breakdown or Explosion**

This Section Extension has been added to improve the cover provided and covers damage to new and unused machinery forming part of the Contract Works caused by electrical or mechanical breakdown or explosion. Cover is subject to limits exclusions and conditions. Please refer to the Section wording for full details.

- **European Union**

This Section Extension has been added to limit the cover previously provided for loss or damage to Contract Works within the member states of the European Union or European Economic Area. Cover is subject to limits exclusions and conditions. Please refer to the Section wording for full details.

- **Fire Brigade Charges**

This Section Extension has been added to improve the cover provided and covers the cost of charges arising from the activities of the Fire Brigade in dealing with the consequences of loss or damage for which the Insurer has admitted liability. This Section Extension is subject to a £10,000 limit of liability.

- **Munitions of War**

This Section Extension has been added to improve the cover provided and covers loss of or 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. Cover is subject to provisos, definitions and conditions. Please refer to the Section wording for full details.

- **Payments on Account**

This Section Extension has been added to provide cover for payments as agreed between the Insured and the Insurer in advance of final settlement of a claim under this Section where the Insurer has admitted liability.

- **Roll On/Roll Off Ferry**

This Section Extension has been added to improve the cover provided covers loss or damage to Property Insured whilst in transit by roll on/roll off ferry between the Great Britain, Northern Ireland, the Isle of Man, the Channel Islands and member states of the European Union and European Economic Area. This extension is subject to a Limit of Liability of £150,000. Section Exclusion **6** Sea or Air Transit shall not apply to this Section Extension.

- **Sub-contract Works**

This Section Extension has been added to clarify the cover provided and covers loss of or damage to any Contract Works for which the Insured is acting as the Contractor to the effect that reference under Cover **A** Contract Works 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 a 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.

- **Reduction of Environmental Impact**

This Section Extension has been added to improve the cover provided and covers 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. Cover is subject to limits and provisos. Please refer to the Section wording for full details.

- **Marine Insurance**

This Section Extension has been added to clarify the cover provided and covers Property Insured which is also insured under any separate marine cargo insurance which has been effected by or on behalf of the Insured. Cover is subject to limits and provisos. Please refer to the Section wording for full details.

## UPDATED SECTION EXTENSIONS

- **Cover B Employers Interest**

This Section Extension has been updated to clarify the cover provided and is replaced by Section Extension **8** Joint Names or Multiple Insureds. Cover extends to provide indemnity to any party that is required under the terms of the Contract to be a joint name insured under the Section. Cover is subject to conditions and provisos. Please refer to the Section wording for full details.

- **Cover C Professional Fees**

This Section Extension has been updated and replaced by Section Extension **13** Professional Fees. The new Section Extension wording no longer limits cover to the maximum Contract Value.

- **Cover D Debris Removal**

This Section Extension has been updated to improve the cover provided and is replaced by Section Extension **3** Debris Removal and Protection. This Section Extension now extends to cover, in addition to the current extension wording; the cost necessarily and reasonably incurred by the insured in fencing off and temporary boarding up of windows following breakage of glass following damage for which the Insurer has admitted liability.

- **Cover E Property Stored**

This Section Extension has been updated to clarify the cover provided and is replaced by Section Extension **10** Offsite Storage. The limit of liability under this Section Extension has been amended to the lesser of 25% of the Contract Value or £250,000.

- **Cover I Re-drawing Plans and Documents**

This Section Extension has been updated to clarify and improve the level of cover provided and is replaced by Section Extension **12** Plans. The cover has been revised and the limit of liability increased from £25,000 to £50,000.

- **Cover J Local Authorities**

This Section Extension has been updated to clarify the cover provided and is replaced by Section Extension **5** European Union and Local Authorities Cost. This Section Extension now extends to cover the additional cost of reinstatement of the Contract Works following loss or damage for which the Insurer has 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 requirements of the Insurer to replace an automatic sprinkler installation in accordance with the current Loss Prevention Council (LPC) Sprinkler Rules or any change in interpretation of the existing regulations.

This Section Extension is subject to provisos and exclusions. Please refer to the Section wording for full details.

- **Cover L Speculative Building – Property Awaiting Sale**

This Section Extension has been updated to clarify the cover provided and is replaced by Section Extension **16** Speculative Developments. This Section Extension now extends to cover loss of or damage to Speculative Developments in respect of:

- a Flats within a single block
  - i For a period of 90 days following Practical completion of the last flat in such single block
  - ii Until the date that more specific insurance is initiatedWhichever occurs first.
- b Other Buildings
  - i Until the date of sale occupation or hand over or
  - ii For a period not exceeding 90 days following Practical Completion of the last building on the Contract SiteWhichever occurs first.

- **Cover M Show Houses and Show Flats**

This Section Extension has been updated to clarify the cover provided and is replaced by Section Extension **15** Show Property Contents and **16** Speculative Developments. The new Section Extension **16** Speculative Development is explained above. Section Extension **15** Show Property Contents extends to cover loss of or damage to the contents of show properties constructed by the Insured other than under Contract occurring after Practical Completion in respect of:

- a Flats within a single block
  - i For a period of 90 days following Practical completion of the last flat in such single block
  - ii Until the date that more specific insurance is initiated on the contents or buildingsWhichever occurs first.

## **b** Other Buildings

- i** Until the date of sale occupation or handover or
- ii** For a period not exceeding 90 days following Practical Completion of the last building on the Contract Site

Whichever occurs first.

This Section Extension is subject to four provisions in the extension wording. Please refer to the Section wording for full details.

- **Cover N Consecutive Damage**

This Section Extension has been deleted and to clarify the cover provided is replaced by Section Condition **1** Consecutive Damage. Reference to "Other Water Damage" has been deleted and "earthquake" has been included. Please refer to the Section wording for full details.

- **Cover O Expediting Costs**

This Section Extension has been updated to clarify and improve the level of cover provided and is replaced by Section Extension **6** Expediting Expenses and Temporary Repairs. Specific reference to "Bonus Payments" has been deleted from the extension wording, and the limit of liability redefined as 25% of the cost of repair, replacement or rectification had the additional cost not been incurred and the inner limit of £50,000 has been removed.

- **Cover S Housing Grants Act**

This Section Extension has been updated and replaced by Section Claims Condition **3** Housing Grants Construction and Regeneration Act 1996. Please see below in New Section Claims Conditions for further details.

## **DELETED SECTION EXTENSIONS**

- **Cover F Property In Transit**

This Section Extension has been deleted and is now included in Cover **A** Contract Works **a** Transit avoiding the need for a separate Section Extension. The cover provided has been updated to include incidental storage during transit for a period not exceeding **14** (fourteen) days provided that it can be proved that the Property Insured is allocated to an insured Contract **r** Speculative Development.

- **Cover H Free Issue Materials**

This Section Extension has been deleted and is now included within the Definition of Property Insured **3** Free Issue Materials avoiding the need for a separate Section Extension.

- **Cover Q Interested Parties**

This Section Extension has been deleted. We will be happy to consider specifically noting interested parties on request.

- **Cover Extension R Contract Price Increase**

This Section Extension has been deleted and is now included in Limit of Liability **A** Contract Works.

The following Section Extensions have been deleted as they are not relevant to the Contract Works Construction Section and have now been included in the Contractors Plant Section:

- Cover **G** Immobilised Plant
- Cover **K** Negligent Breakdown and Continuing Hire Charges – Plant Hired In
- Cover **P** Plant and Tools

## **LIMIT OF INDEMNITY**

This has been re-titled "Limit of Liability" and moved to follow the Cover Section within the wording. We now make specific reference to the Contract Works, Additional Cost of Construction and Employees Tools and Personal Effects.

## **SECTION EXCLUSIONS**

### **New Section Exclusions**

- **Scratching**

This is a new Section Exclusion added to clarify the cover provided under both Cover **A** Contract Works (Section Exclusion 4 Scratching) and Cover **C** Employees Tools and Personal Effects (Section Exclusion 11 Scratching). Under Cover **A** Contract Works scratching is excluded unless caused by an identifiable occurrence. Under Cover **C** Employees Tools and Personal Effects scratching is excluded unless accompanied by loss of or damage to other parts or portions of the Property Insured.

- **Overloading or Abnormal Conditions**

This is a new Section Exclusion under Cover **C** Employees Tools and Personal Effects and excludes damage to Property Insured caused from the imposition of abnormal conditions deliberate overloading or overload testing. This Section Exclusion has been added to clarify the cover provided.

- **Nuclear Site Risks**

This is a new Section Exclusion added to clarify the cover provided and excludes loss or damage caused by or consisting of or liability arising from loss or damage to any Nuclear Material or any Contract Works in or on any building or plant that has been or is used for the Production Use or Storage of Nuclear Material.

- **Sea or Air Transit**

This Section Exclusion has been included for clarity and confirms that cover does not apply during transit by sea or air.

- **E-Risks**

This Section Exclusion was previously covered by General Exclusion 4 **E** Risks and under the new Contract Works Construction Section has now moved to a Section Exclusion to clarify the cover provided.

## UPDATED SECTION EXCLUSIONS

- **1a Aircraft and aero spatial device and 1b Vessels Craft Vehicles Devices Rigs or Platforms**

These Section Exclusions have been updated to clarify the level of cover provided and is replaced by Section Exclusion **25** Vessels Craft Vehicles Devices Rigs or Platforms for clarity. Please refer to the Section wording for full details.

- **1c Motor Vehicles**

This Section Exclusion has been updated to clarify and improve the level of cover provided and is replaced by Section Exclusion **18** Motor Vehicles. Cover is no longer restricted to a Contract Site.

- **1d Money**

This Section Exclusion has been updated to clarify the cover provided and is replaced by Section Exclusion **17** Money Legal or Promissory Documents. The wording no longer excludes a number of forms of money legal or promissory documents; please refer to the Section wording for full details.

- **1e Existing Property**

This Section Exclusion has been updated and replaced by Section Exclusion **3** Existing Property applying to Cover **A** Contract Works. The wording of the exclusion has been updated for clarity and states that the exclusion will not apply to materials supplied and delivered for incorporation in the works.

- **1f Conditions of Contract**

This Section Exclusion has been updated to clarify the level of cover provided and is replaced by Section Exclusion **1** Contract Conditions applying to Cover **A** Contract Works and now reads as follows:

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

- **1g Property more specifically insured**

This Section Exclusion has been deleted and replaced by Section Claims Condition **5** Other Insurances. Please see below in New Section Claims Conditions for further detail.

- **1i Excluded Items**

This Section Exclusion has been updated and replaced by Section Exclusion **6** Excluded Parts and Components applying to Cover **C** Employees Tools and Personal Effects. There is no material change to the wording of this exclusion.

- **2 Defective Property**

This Section Exclusion has been updated and replaced by Section Exclusion **2** Defective Design Material or Workmanship applying to Cover **A** Contract Works. There is no material change to the wording of this exclusion.

- **3 Theft from Vehicles**

This Section Exclusion has been updated to clarify the level of cover provided and is replaced by Section Exclusion **10** Overnight and Unattended applying to Cover **C** Employees Tools and Personal Effects. Property Insured must now also

be concealed from view in a locked compartment and any alarm systems fitted must be activated for cover to apply to property Insured left Overnight and Unattended.

- **4a Mechanical or electrical breakdown**

This Section Exclusion has been updated to clarify the level of cover provided and is replaced by Section Exclusion **13** Breakdown or Explosion.

- **4b Wear and Tear**

This Section Exclusion has been updated to clarify the level of cover provided and is replaced by Section Exclusion **5** Wear and Tear or Deterioration applying to Cover **A** Contract Works and now reads as follows:

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 Section resulting from such occurrence unless otherwise excluded.

It has also been updated and replaced by Section Exclusion **12** Wear and Tear or Gradual Deterioration applying to Cover **C** Employees Tools and Personal Effects and now reads as follows:

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 Section resulting from **a** or **b** unless otherwise excluded.

- **4c Direct Application of Tools or The Entry of Foreign Bodies**

This Section Exclusion has been updated to clarify the level of cover provided and is replaced by Section Exclusion **7** Maintenance Faulty Workmanship or Application of Tools paragraph **c** and Section Exclusion **8** Materials Processed or Foreign Bodies both applying to Cover **C** Employees Tools and Personal Effects.

- **4d Pollution or contamination**

This Section Exclusion has been updated to clarify the level of cover provided and is replaced by Section Exclusion **23** Pollution or Contamination and now reads as follows:

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

This Section Exclusion shall not apply to cost arising from pollution or contamination of Property Insured caused directly by an occurrence which is insured by this Section.

- **4e Normal upkeep or Normal Making good**

This Section Exclusion has been updated and replaced by Section Exclusion **7** Maintenance Faulty Workmanship or Application of Tools paragraphs **a** and **b** applying to Cover **C** Employees Tools and Personal Effects only. The wording has been updated for clarity and now states that cover does not include the cost of maintenance or rectification of faulty workmanship occurring during the execution of repairs.



- **4f Confiscation**

This Section Exclusion has been updated to clarify the level of cover provided and is replaced by Section Exclusion **20** Confiscation Civil Commotion and Similar Risks. The exclusion wording now includes reference to acts outside Great Britain Northern Ireland the Isle of Man and the Channel Islands and also makes specific reference to acts in Northern Ireland. Please refer to the Section wording for full details.

- **5 Inventory Loss**

This Section Exclusion has been updated to clarify the level of cover provided and is replaced by Section Exclusion **16** Inventory Loss or Unidentifiable Occurrence and now reads as follows:

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 General Condition **3** Claims and the Section Claims Conditions under this Section and which has been reported to the Police.

- **6 Liquidated damages**

This Section Exclusion has now been updated to clarify the level of cover provided and is replaced by Section Exclusion **22** Other Consequential Losses and now reads as follows:

loss damage cost or legal liability consisting of or in consequence of 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 Section.

- **7 Excess**

This Section Exclusion has been updated and replaced by Section Exclusion **15** Excess. The exclusion wording now provides clarity on how the excess will be applied when a loss is covered under this Section and the Contractors Plant Section.

- **8b Stoppage of Works**

This Section Exclusion has been updated and replaced by Section Condition **9** Suspension of Cover. Please see below in New Section Conditions for further details.

- **9 Multiple Lifting Operations**

This Section Exclusion has been updated to clarify and improve the level of cover provided and is replaced by Section Exclusion **19** Multiple Lifting Operations. The new Section Exclusion now allows cover for lifts where a load is shared by two machines subject to provisos in the wording. Please refer to the Section wording for full details.

- **11 Northern Ireland**

This Section Exclusion has been replaced by Section Exclusion **20** Confiscation Civil Commotion and Similar Risks.

- **12 Computer Date Recognition**

This Section Exclusion has been updated to clarify the cover provided and is replaced by Section Exclusion **14** Computer Date Recognition. Please refer to the Section wording for full details.

## DELETED SECTION EXCLUSIONS

- **1h i – iv Cover for Contract Works after Certificate of Practical Completion has been issued**

This Section Exclusion has been deleted as it is no longer required. The period during which cover applies has been clarified under Cover **A** Contract Works.

- **1l Trees, Shrubs and Plants**

This Section Exclusion has now been deleted to improve the level of cover provided.

- **8a Work on Waterways or Motorways**

This Section Exclusion has now been deleted to improve the level of cover provided.

- **10 Sonic Bangs**

This Section Exclusion has now been deleted to improve the level of cover provided.

The following Section Exclusions have been deleted as they are not relevant to the Contract Works Construction Section and have now been included in the Contractors Plant Section:

- **1j** Rubber Tyres

- **1k** Hired in Property not hired in under the model hire Conditions of the Construction Plant-hire Association

## SECTION CONDITIONS

### New Section Conditions

- **Consecutive Damage**

This new Section Condition provides clarification on the interpretation of Section Exclusion **15** Excess; in respect of loss or damage due to storm tempest flood earthquake subsidence or collapse occurring in one continuous period of 72 hours shall be dealt with as one accident or series or series of accidents arising from one occurrence.

- **Contract Price Condition**

This new Section Condition has been added to clarify the cover provided and makes liability conditional on the Contract Value not exceeding the maximum contract Value shown in the Schedule.

- **Declarations**

This new Section Condition has been added to clarify the cover provided and sets out how and when declarations should be made to the Insurers. Please refer to the Section wording for full details. This has replaced the Premium Adjustment Condition from the General Conditions.

- **Insured Contracts**

This new Section Condition clarifies the basis of cover under this Section. Cover will apply to contracts from the start of the Period of Insurance or contracts commencing during the Period of Insurance and cover will cease at the end of the Period of Insurance if the insurance is not renewed or on cancellation of the insurance, whichever is earlier.

- **Observation of Section Terms**

This new Section Condition has been added to clarify the cover provided and makes liability conditional on the Insured complying and as appropriate other insured parties entitled to indemnity complying with the Policy and Section terms provisions exclusions limits and conditions.

- **Series Loss**

This new Section Condition has been added to clarify the cover provided and confirms that if a defect in any part of the Contract Works is discovered and indicates that a similar defects exists elsewhere in the Contract Works then the Insured shall investigate and rectify such defects at their own expense.

- **Right to Survey**

This new Section Condition confirms that the Insurer has the right to carry out a survey of the risks insured at any time mutually agreed with the Insured.

- **Suspension of Cover**

This new Section Condition has been added to clarify the cover provided and replaces the previous Section Exclusion **8b** and states that if work on a Contract Site ceases for a period in excess of 90 (ninety) consecutive days then indemnity for Property Insured on that Contract Site shall be suspended on the 90th (ninetieth) day unless otherwise agreed in writing by the Insurer.

## UPDATED SECTION CONDITIONS

- **Additional Claims Requirement**

This Section Condition has been deleted and replaced by Section Claims Condition **1** Additional Claims Requirements; please see below in New Section Claims Conditions for further details.

- **Alteration in Risk**

This Section Condition has been updated and replaced by Section Condition **10** Alteration In Risk. There are no material changes to this condition wording; please refer to the Section wording for full details.

- **Reinstatement**

This Section Condition has been deleted and replaced by Section Claims Condition **4** Options for Claims Settlement. Please see below in New Section Claims Conditions for further details.

- **Subrogation**

This Section Condition has been deleted and replaced by Section Claims Condition **6** Subrogation. Please see below in New Section Claims Conditions for further details.

- **The Insurer's Rights Following a Claim**

This Section Condition has been deleted and replaced by Section Claims Condition **4** Options for Claims Settlement. Please see below in New Section Claims Conditions for further details.

- **Arbitration**

This Section Condition has been deleted and replaced by Section Claims Condition **2** Claims Arbitration. Please see below in New Section Claims Conditions for further details.

- **Joint Code of Practice**

This Section Condition has been updated to clarify the cover provided and is replaced by Section Condition **8** Joint Code of Practice. The new condition wording does not state the Contract Value limit that the Insured must ensure they comply with The Joint Code on. Instead the wording simply states that the Insured must comply with The Joint Code which will stipulate any Contract Values where The Joint Code must be followed. Please refer to the Section wording for full details.

## DELETED SECTION CONDITIONS

- **Automatic Reinstatement of Sum Insured**

This Section Condition has been deleted. The new Contract Works Construction Section is on an automatic reinstatement of Sum Insured basis already, however, an additional premium is no longer due in order to reinstate the Sum Insured.

- **Reasonable Precautions**

This Section Condition has been deleted as it is covered by General Condition **2** Reasonable Precautions.

- **Subrogation Waiver**

This Section Condition has been deleted. This cover has now been picked up by Section Extension **8** Joint Names or Multiple Insureds. Please see above in Updated Section Extensions for further details.

## SECTION CLAIMS CONDITIONS

### New Section Claims Conditions

- **Additional Claims Requirements**

This Section Claims Condition replaces Section Condition **2** and now provides further clarity around the requirements that must be met for indemnity to be provided. This includes the representatives of the Insurer being permitted to inspect the damaged or defective parts of Property Insured, full information in writing of the Property Insured and the amount of loss or damage, details of any other insurances on the Property Insured, proof and information relating to the claims and if required a statutory declaration of the truth of the claim.

- **Claims Arbitration**

This new Section Condition clarifies the cover provided and states that any differences that arise as to the claims amount paid shall be referred to an arbitrator. For any difference referred to an arbitrator the making of the award shall be a condition precedent to any right of action against the Insurer.

- **Housing Grants Construction and Regeneration Act 1996**

This Section Claims Condition replaces Cover **S** Housing Grants Act and has been updated to clarify the cover provided. There are some additional provisos in the new Section Claims Condition including that the Insured must forward any notice of an intention by another party to refer the dispute to adjudication to the Insurer within three working days, or as soon as reasonably practicable. There is also an additional condition that reads as follows:

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 Insurer. The Insurer will appoint appropriate advisers as they deem necessary to have appropriate conduct of the proceedings. Any of these measures taken shall be at the Insurer's expense.

- **Options for Claims Settlements**

This Section Claims Condition replaces both Section Condition **6** Reinstatement and Section Condition **8** The Insurer's Rights Following a Claim. This condition has been updated to clarify the cover provided and sets out the various options in respect of settling a claim. Please refer to the Section wording for full details.

- **Other Insurances**

This Section Claims Condition replaces Section Exclusion **1g** and has been updated to clarify the cover provided and says that indemnity shall not be provided for any loss or damage where the Property Insured is insured by another policy effected by or on behalf of the Insured and would be payable under the other policy had this insurance not been effected.

- **Subrogation**

This Section Claims Condition replaces Section Condition **7** There is no material change to the wording of this condition.

## 2. CONTRACTORS PLANT SECTION

The Contractors Plant Section is a new Section and cover has been taken out of the previous Contractors All Risks Section and enhanced

### SECTION DEFINITIONS

#### New Section Definitions

- **Premium Adjustment**

This Section Definition ties into Section Condition **3** Declarations which replaces the previous General Condition **10** Premium Adjustment in the Introduction. This definition has been added to clarify the cover provided. Please refer to the Section wording for full details.

- **CESAR Scheme**

This definition has been added to clarify the cover provided. The CESAR Scheme stands for The Construction Equipment Security And Registration Scheme.

- **Electro Mechanical Immobiliser**

This new Section Definition has been added to clarify the cover provided reads as follows:

A Thatcham approved and certified device for immobilising the Property Insured by both electronic and mechanical (fuel and/or hydraulic systems) means.

- **Other Plant and Machinery**

This new Section Definition has been added to clarify the cover provided and includes plant and machinery that is not covered by the definitions for Constructional Plant or Temporary Buildings.

- **Principal**

This new Section Definition has been added to clarify the cover provided a principal is defined as:

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.

- **Reinstatement**

This new Section Definition provides a clear definition of Reinstatement; it has been added to clarify the cover provided and reads as follows:

- a Where the Property Insured is destroyed its replacement by similar plant or property in a condition equal to but not better or more extensive than its condition when new.
- b Where the Property Insured is damaged the repair of the damage to a condition equal to but not better or more extensive than its condition when new.

- **Thatcham 5 Star Rating System**

This new Section Definition has been added to clarify the cover provided and provides detail of the Thatcham 5 Star Rating System and includes definitions of First Star Category through to Fifth Star Category. Please refer to the Section wording for full details.

- **Vicinity**

This new Section Definition has been added to clarify the cover provided, Vicinity is anywhere within one mile of the situation of the Property Insured.

### UPDATED SECTION DEFINITIONS

- **Own Plant and Tools**

This definition has been updated to clarify the cover provided and is replaced by the Section Definition Constructional Plant and no longer includes plant and machinery on free loan. Constructional Plant also no longer has to be for use in connection with the contract works.

- **Temporary Buildings**

This definition has been updated to clarify the cover provided and specifies that Temporary Buildings are used on site for the purpose of site accommodation and again no longer includes anything on free loan. The Temporary Buildings also no longer have to be for use in connection with the contract works.

- **Hired In Property**

This definition has been updated to clarify the cover provided and is replaced by the Section Definition Hired In Plant and it no longer has to be for use in connection with the contract works.

- **Territorial Limits**

This new Section Definition has been added to clarify the cover provided; cover in the European Union is now picked up under Section Extension **11** European Union and therefore the Territorial Limits definition has been updated to read as follows:

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

## DELETED SECTION DEFINITIONS

- **Mechanically Propelled Plant**

This definition used to tie in with Section Exclusion **1c** This Section wording now has Section Exclusion **10** Motor Vehicles which does not require a specific definition of mechanically propelled plant.

- **Money**

This definition has been deleted as Section Exclusion **16** Money Legal or Promissory Documents now contains a full list of excluded items. Please refer to the Section wording for full details.

The following Section Definitions have been deleted as they are not relevant to the Contractors Plant Section and have now been included in the Contract Works Construction Section:

- Contract Works
- Site Materials
- Property Awaiting Sale
- Employees Tools and Personal Effects
- Maintenance Period of Insurance
- Contract Price
- Contract Period
- Employer
- Unoccupied Building

## COVER

The previous Cover Section has been re-worded into two separate headings of:

- 1** Cover with specific reference to the Owned Plant and Machinery and Hired In Plant
- 2** Section Extensions please note the cover enhancements as below:

## SECTION EXTENSIONS

### New Section Extensions

- **Damage to Security Devices**

This Section Extension has been added to improve the cover provided and allows for cover under Cover **A** Owned Plant and Machinery in respect of repairing or replacing any immobiliser locating tracking or other security device permanently fitted to the Property Insured following loss or damage due to theft or attempted theft for which the Insurers have admitted liability. This extension is subject to a Limit of Liability of £2,500. The Section Excess shall not apply to this Section Extension.

- **Loss of Keys**

This Section Extension has been added to improve the cover provided and allows for cover under Cover **A** Owned Plant and Machinery in respect of replacing the lock cylinder of any security device permanently fitted to the Property Insured following loss or damage to the keys operating the security device. This extension is subject to a Limit of Liability of £2,500. The Section Excess shall not apply to this Section Extension.

- **Repair Cost Investigation**

This Section Extension has been added to improve the cover provided and allows for cover under Cover **A** Owned Plant and Machinery in respect of repair investigations and tests by consulting engineering following loss or damage for which the Insurers have admitted liability. This extension is subject to the prior written agreement of the Insurer being obtained and a Limit of Liability of £25,000. This extension will not pay for any cost incurred in preparing a claim under this Section.

- **Indemnity to Principal**

This Section Extension has been added to clarify the cover provided and covers any Principal to the extent that a contract between the Insured and the Principal so requires.

- **Payments on Account**

This Section Extension has been added to cover payments as agreed between the Insured and the Insurer in advance of final settlement of a claim under this Section.

- **Avoidance of Impending Damage**

This Section Extension has been added to improve the cover provided and provides cover in respect of the cost incurred by the Insured in taking exceptional measures that are reasonable to avoid or reduce impending loss or damage which would have resulted in a claim. Cover is subject to limits, exclusions and conditions. Please refer to the Section wording for full details.

- **Additional Cost (Supplementary Expenses)**

This Section Extension has been added to improve the cover provided and covers necessary and reasonable cost incurred by the insured following loss or damage insured by this Section in effecting a temporary repair or expediting a permanent repair. This extension is subject to the prior written agreement of the Insurer being obtained and a Limit of Liability of £10,000.

- **CPA Contract Lift Cover**

This Section Extension has been added to improve the cover provided and covers the liability of the Insured under Construction Plant-hire Association Contract Lift Conditions for loss or damage to Property Insured under this Section and Contract Goods not forming part of the Property Insured provided that the Insured is the Client. Cover is subject to limits, exclusions, definitions and conditions. Please refer to the Section wording for full details.

- **Protection and Removal**

This Section Extension has been added to improve the cover provided and covers the necessary and reasonable cost incurred by the Insured following loss or damage insured by this Section in the protection and removal of Property Insured to a location agreed by the Insurer and transportation to the Insured after repairs.

- **European Union**

This Section Extension has been added to limit the cover previously provided for loss or damage to Contract Works within the member states of the European Union or European Economic Area. Cover is subject to limits, exclusions and conditions. Please refer to the Section wording for full details.

- **Roll On\Roll Off Ferry**

This Section Extension has been added to improve the cover provided and provides cover for loss or damage to Property Insured whilst in transit by roll on/roll off ferry between the Great Britain, Northern Ireland, the Isle of Man, the Channel Islands and member states of the European Union and European Economic Area. This extension is subject to a Limit of Liability of £150,000. Section Exclusion 6 Sea or Air Transit shall not apply to this Section Extension.

- **Munitions Of War**

This Section Extension has been added to improve the cover provided and covers loss or damage to Property Insured anywhere in the Territorial Limits from or occasioned by the detonation of munitions of war or parts therefore in the Vicinity of the Property Insured provided that the presence of such munitions does not result from a state of current war at the time of such loss or damage or from any Act of Terrorism. Cover is subject to definitions and conditions. Please refer to the Section wording for full details.

- **Excess (Security Discounted)**

This Section Extension has been added to clarify the cover provided and amends the Section Excess in the event of a claim when certain security features are in place. Please refer to the Section wording for full details of applicable security features.

- **Signwriting and Livery**

This Section Extension has been added to improve the cover provided and allows for cover under Cover **A** Owned Plant and Machinery in respect of the necessary and reasonable cost incurred for restoring any signwriting, advertising signs and artwork following loss or damage insured by this Section. This extension is subject to a Limit of Liability of £5,000.

## UPDATED SECTION EXTENSIONS

- **Cover G Immobilised Plant**

This Section Extension has been updated to clarify the cover provided and is replaced by Section Extension **7** Recovery of Immobilised Plant. The new extension wording does not limit cover to plant immobilised when in use in connection with a contract. The new extension wording is subject to limits, exclusions and conditions. Please refer to the Section wording for full details.

## DELETED SECTION EXTENSIONS

- **Cover K Negligent Breakdown and Continuing Hire Charges – Plant Hired In**

In the previous Section wording Cover **K** was included to allow for breakdown to be covered if required by any hiring agreements. The new Section wording only has a breakdown exclusion applying to Cover **A** Owned Plant and Machinery therefore breakdown under Cover **B** Hired In Plant is automatically covered. Continuing hire charges following an insured loss are also covered automatically in the new Section and no longer has a 48-hour time exclusion or a three-month indemnity period.

- **Cover P Plant and Tools**

Cover **P** has been deleted as cover is no longer linked to a contract site and cover automatically applies at the Insured's premises.

- **Cover F Property in Transit**

Cover **F** has been deleted as cover for Insured Property is now included under Cover **A** Owned Plant and Machinery and Cover **B** Hired In Plant.

- **Cover Q Interested Parties**

This Section Extension has been deleted. We will be happy to consider specifically noting interested parties on request.

- **Cover N Consecutive Damage**

This Section Extension has been deleted to clarify that cover only applied under the Contract Works Construction Section.

The following Section Extensions have been deleted as they are not relevant to the Contractors Plant Section and have now been included in the Contract Works Construction Section:

- Employers Interest
- Professional Fees
- Debris Removal
- Property Stored
- Free Issue Materials
- Re-drawing Plans and Documents
- Local Authorities
- Speculative Building – Property Awaiting Sale
- Show Houses and Show Flats
- Expediting Costs
- Contract Price Increase
- Housing Grants Act

## LIMIT OF INDEMNITY

This has been re-titled "Limit of Liability" and moved to follow the Cover Section within the wording. We now make specific reference to Owned Plant and Machinery and Hired In Plant.

## SECTION EXCLUSIONS

### New Section Exclusions

- **Sea or Air Transit**

This Section Exclusion has been included for clarity and confirms that cover does not apply during transit by sea or air.

- **Scratching**

This Section Exclusion has been added to clarify the cover provided and reads as follows:

loss damage cost or legal liability consisting of or in consequence of the scratching, scouring or spoiling of glass painted, polished smooth or any other similar finished surfaces unless accompanied by loss of or damage to other parts or portions of the Property Insured for which the Insurer has admitted liability under this Section.

- **Excluded Items**

Paragraph **a** of this Section Exclusion is new and excludes cover in respect of scaffolding, access towers or ladders and aluminium trackway. This exclusion has been added to clarify the cover provided.

- **Overloading or Abnormal Conditions**

This Section Exclusion has been added to clarify the cover provided and excludes cover caused by or arising from the imposition of abnormal conditions or deliberate overloading or overload testing. Cover is however given if such testing is carried out in accordance with the Code of Practice for the Safe Use of Cranes BS 7121 excluding any loss or damage due to a defect in the item.

- **Other Consequential Losses**

This new Section Exclusion has been added to clarify the cover provided and reads as follows:

loss, damage, cost or legal liability consisting of or in consequence of 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 Section.

- **E Risks**

This Section Exclusion has been added to clarify cover and was previously covered by General Exclusion **4** E Risks and under the new Contractors Plant Section has now moved to a Section Exclusion.

## UPDATED SECTION EXCLUSIONS

- **1a Aircraft and aero spatial device and 1b Vessels Craft Vehicles Devices Rigs or Platforms**

These Section Exclusions have been updated and replaced by Section Exclusion **14** Vessels, Craft Vehicles, Devices, Rigs or Platforms for clarity. Please refer to the Section wording for full details.

- **1c Motor Vehicles**

This Section Exclusion has been updated to improve and clarify the cover provided and is replaced by Section Exclusion **10** Motor Vehicles. Cover is no longer restricted to a contract site.

- **1d Money**

This Section Exclusion has been updated to improve and clarify the cover provided and is replaced by Section Exclusion **16** Money Legal or Promissory Documents. The wording no longer excludes a number of forms of money, legal or promissory documents; please refer to the Section wording for full details.

- **1g Property more Specifically Insured**

This Section Exclusion has been deleted and replaced by Section Claims Condition **3** Other Insurances. Please see below in New Section Claims Condition for further details.

- **1i Excluded Items**

This Section Exclusion has been updated and replaced by Section Exclusion **2** Excluded Parts and Components applying to Cover **A** Owned Plant and Machinery. There is no material change to the wording of this exclusion.

- **1j Rubber Tyres**

This Section Exclusion has been replaced by Section Exclusion **9** Excluded Items paragraph **b** There are no material changes to this exclusion.

- **2 Defective Property**

This Section Exclusion has updated and replaced by Section Exclusion **4a** rectification of faulty workmanship occurring during the execution of repairs applicable to Cover **A** Owned Plant and Machinery only. The rest of this Section Exclusion is not applicable to the Contractors Plant Section and has been deleted.

- **4a Breakdown or Explosion Cover A only**

This Section Exclusion has been updated to clarify the cover provided and is replaced by Section Exclusion **1** Breakdown or Explosion applicable to Cover **A** Owned Plant and Machinery only. Derangement of machinery has been amended to its own explosion.

- **4b Wear and Tear**

This Section Exclusion has been updated to clarify the cover provided and is replaced by Section Exclusion **7** Wear and Tear or Gradual Deterioration and now reads as follows:

This Section does not cover 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 Section resulting from **a** or **b** unless otherwise excluded.

- **4c Direct Application of Tools and Entry of Foreign Bodies**

This Section Exclusion has been updated to clarify the cover provided and is replaced by Section Exclusion **3** Materials Processed or foreign Bodies and Section Exclusion **4** Maintenance, Faulty Workmanship or Application of Tools paragraph **c** both applicable to Cover **A** Owned Plant and Machinery. Please refer to the Section wording for full details.

- **4d Pollution or Contamination**

This Section Exclusion has been updated to clarify the cover provided and is replaced by Section Exclusion **18** Pollution or Contamination and now reads as follows:

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

This Section Exclusion shall not apply to cost arising from pollution or contamination of Property Insured caused directly by an occurrence which is insured by this Section.

- **4f Confiscation**

This Section Exclusion has been updated to clarify the cover provided and is replaced by Section Exclusion **17** Confiscation Civil Commotion and Similar Risks. The exclusion wording now includes reference to acts outside Great Britain, Northern Ireland, the Isle of Man and the Channel Islands and also makes specific reference to acts in Northern Ireland. Please refer to the Section wording for full details.

- **5 Inventory Loss**

This Section Exclusion has been updated to clarify the cover provided and is replaced by Section Exclusion **13** Inventory Loss or Unidentifiable Occurrence and now reads as follows:

loss of the Property Insured

- a** by its disappearance or by shortage if such disappearance or shortage is only revealed when an inventory is made or
- b** due to its being stolen or otherwise missing unless such loss is identifiable by the Insured with a specific occurrence which has been the subject of notification under the terms of General Condition **3** Claims and the Section Claims Conditions under this Section and which has been reported to the Police.

- **6 Liquidated Damages**

This Section Exclusion has now been updated to clarify the cover provided and is replaced by Section Exclusion **15** Other Consequential Losses and now reads as follows:

loss, damage, cost or legal liability consisting of or in consequence of 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 Section.

- **7 Excess**

This Section Exclusion has been updated and replaced by Section Exclusion **5** Excess. The exclusion wording now provides clarity on how the excess will be applied when a loss is covered under this Section and the Contract Works Construction or the Erection all Risks Sections. Please refer to the Section wording for full details.

- **9 Multiple Lifting Operations**

This Section Exclusion has been updated to clarify and improve the cover provided replaced by Section Exclusion **11** Multiple Lifting Operations. The new Section Exclusion now allows cover for lifts where a load is shared by two machines subject to provisos in the wording. Please refer to the Section wording for full details.

- **11 Northern Ireland**

This Section Exclusion has been replaced by Section Exclusion **17** Confiscation, Civil Commotion and Similar Risks.

- **12 Computer Date Recognition**

This Section Exclusion has been updated to clarify the cover provided and is replaced by Section Exclusion **20** Computer Date Recognition. Please refer to the Section wording for full details.

## DELETED SECTION EXCLUSIONS

- **1k Hired in Property not hired in under the model hire Conditions of the Construction Plant-hire Association**

This Section no longer restricts cover for Hired In Plant to plant hired in under the model conditions of the Construction Plant-hire Association.

- **10 Sonic Bangs**

This Section Exclusion has now been deleted to improve the cover provided.

The following Section Exclusions have been deleted as they are not relevant to the Contractors Plant Section and have now been included in the Contract Works Construction Section:

- **1e** Existing Property
- **1f** Conditions of Contract
- **1h** Cover for Contract Works after Certificate of Practical Completion has been issued
- **1l** Trees, shrubs and Plants
- **3** Theft from Vehicles
- **8** Excluded Works

## SECTION CONDITIONS

### New Section Conditions

- **Right to Survey**

This new Section Condition confirms that the Insurer has the right to carry out a survey of the risks insured at any time mutually agreed with the Insured.

- **Observation of Section Terms**

This new Section Condition has been added to clarify the cover provided and makes liability conditional on the Insured complying and as appropriate other insured parties entitled to indemnity complying with the Policy and Section terms, provisions, exclusions, limits and conditions.

- **Declarations**

This new Section Condition sets out how and when declarations should be made to the Insurers. This has replaced the Premium Adjustment Condition from the General Conditions and reads as follows:

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

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

## UPDATED SECTION CONDITIONS

- **Additional Claims Requirement**

This Section Condition has been deleted and replaced by Section Claims Condition **1** Additional Claims Requirements. Please see below in New Section Claims Condition for further details.

- **Alteration in Risk**

This Section Condition has been updated and replaced by Section Condition **4** Alteration In Risk. There is no material change in the condition wording, please refer to the Section wording for full details.

- **Reinstatement**

This Section condition has been deleted and replaced by Section Claims Condition **2** Options for Claims Settlement. Please see below in New Section Claims Condition for further details.

- **Subrogation**

This Section condition has been deleted and replaced by Section Claims Condition **4** Subrogation. Please see below in New Section Claims Condition for further details.

- **The Insurer's Rights Following a Claim**

This Section Condition has been deleted and replaced by Section Claims Condition **2** Options for Claims Settlement. Please see below in New Section Claims Condition for further details.

- **Arbitration**

This Section condition has been deleted and replaced by Section Claims Condition **5** Claims Arbitration. Please see below in New Section Claims Condition for further details.

## DELETED SECTION CONDITIONS

- **Automatic Reinstatement of Sum Insured**

This Section Condition has been deleted. The new Contractors Plant Section is on an automatic reinstatement of Sum Insured basis already, however, an additional premium is no longer due in order to reinstate the Sum Insured.

- **Reasonable Precautions**

This Section Condition has been deleted as it is covered by General Condition **2** Reasonable Precautions.

The following Section Exclusions have been deleted as they are not relevant to the Contractors Plant Section and have now been included in the Contract Works Construction Section:

- Subrogation Waiver
- Joint Code of Practice

## SECTION CLAIMS CONDITIONS

### New Section Claims Conditions

- **Additional Claims Requirements**

This Section Claims Condition replaces Section Condition **2** and now provides further clarity around the requirements that must be met for indemnity to be provided. This includes the representatives of the Insurer being permitted to inspect the damaged or defective parts of Property Insured, full information in writing of the Property Insured and the amount of loss or damage, details of any other insurances on the Property Insured, proof and information relating to the claims and if required a statutory declaration of the truth of the claim.

- **Options for Claims Settlements**

This Section Claims Condition replaces both Section Condition **6** Reinstatement and Section Condition **8** The Insurer's Rights Following a Claim. This condition has been updated to clarify the cover provided and sets out the various options in respect of settling a claim. Please refer to the Section wording for full details.

- **Other Insurances**

This Section Claims Condition replaces Section Exclusion **1g** and has been updated to clarify the cover provided and says that indemnity shall not be provided for any loss or damage where the Property Insured is insured by another policy effected by or on behalf of the Insured and would be payable under the other policy had this insurance not been effected.

- **Subrogation**

This new Section Claims Condition replaces Section Condition **7** There is no change to the wording of this condition.

- **Claims Arbitration**

This new Section Condition has been added to clarify the cover provided and states that any differences that arise as to the claims amount paid shall be referred to an arbitrator. For any difference referred to an arbitrator the making of the award shall be a condition precedent to any right of action against the Insurer.