



Markham Private Clients
Renovation Insurance



Thank you for choosing Renovation Insurance Brokers - Restoration & Renovation Construction Insurance from Markham Private Clients

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Your contract with us

Thank **you** for buying this **policy** which is underwritten by HSB Engineering Insurance Limited (HSBEIL). **We** are pleased that **you** have chosen **HSBEIL** to provide insurance to meet **your** construction needs and **we** will work hard to ensure that **you** are happy with the cover and service **you** receive.

Your policy is a legal contract between **you** and **us**. **Your policy, schedule** and any **endorsements** make one document and must be read together. Please keep them all safely together.

The information **you** gave to **us** on the proposal form and/or any supplementary information was used to determine whether **we** accepted **your** insurance and could affect **your** claim if not accurate and complete: see 'Your responsibility to give us correct information' under 'Important Information'.

In return for **your** payment of the premium shown in **your schedule**, and for **your** compliance with the terms and conditions shown in **your policy**, **we** will provide insurance for:

- (a) **your insured property** shown in **your schedule**
- (b) the sections of the **policy** wording to the extent shown in **your schedule**
- (c) the **period of insurance** shown in **your schedule**.

For HSB Engineering Insurance Limited:



Stephanie Watkins
Chief Executive Officer & Managing Director



Tim James
Company Secretary & Group Sales Manager

Introduction

Headings and interpretation

Throughout **your policy**:

- (a) words or phrases which appear in **bold** text will have the same meanings as shown in the **policy** definitions on pages 14 to 19.
- (b) headings used are for convenience only and shall have no effect upon the interpretation of **your policy**.
- (c) words which appear in the singular include the plural, where required by context, and vice versa.
- (d) verbs which appear in the present tense include the past tense, where required by context, and vice versa;
- (e) any words following the terms 'including', 'include', 'in particular', 'for example' or any similar expressions are examples and shall not limit the interpretation of the words or terms preceding those terms.

Arrangement of your policy

Thank you for choosing Renovation Insurance Brokers - Restoration and Renovation Construction Insurance.

This **policy** is administered by Renovation Insurance Brokers part of Porterhouse Brokers LLP Registered Office 17 Church Walk, St. Neots, Cambridgeshire, PE19 1JH (registered in England and Wales OC354547). Porterhouse Insurance Brokers LLP is registered and regulated by the Financial Conduct Authority (FCA) register number 524999.

If required this information can be confirmed by visiting the FCA website www.fca.org.uk or by contacting the FCA on 0800 111 6768.

Your insurer

The insurance provided to **you** by this **policy** is underwritten by HSB Engineering Insurance Limited (HSBEIL), registered in England and Wales: 02396114, New London House, 6 London Street, London EC3R 7LP. Registered as a branch in Ireland: 906020.

HSBEIL is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

How your insurance cover works

This **policy** and its **schedule** is a contract of insurance between **you** and the **insurer**. Renovation Insurance Brokers as part of Porterhouse Brokers LLP (known from this point onward as Renovation Insurance Brokers) has arranged this **policy** to provide insurance cover to protect **you** against risks which **you** may be exposed to during the carrying out of the restoration and renovation building works. In addition to being insured for physical loss or damage to **your** building whilst it is undergoing work, insurance may also be provided to protect **you** against other forms of risk such as legal liability for accidental injury to persons (other than employees).

This document, together with **your schedule**, and any **endorsements** shown in **your schedule**, contain the information **you** need to know about **your** insurance. **Your policy** contains important information such as the terms of **your** insurance and how to contact **us**. **Your schedule** and **endorsements** show which sections of the **policy** wording apply, the financial limits to the cover and the premium. Please keep **your schedule** with the **policy** wording. Renovation Insurance Brokers will arrange for a new **schedule** to be sent to **you** whenever **you** or **we** make a change to **your** insurance and each year before renewal so **you** can check that the cover still meets **your** needs.

Your policy provides cover against specified events and, in common with other insurances, only covers **you** for the events actually specified. **Your policy** is valuable, please read it carefully to make sure it meets **your** needs and that **you** understand the terms, exclusions and conditions. If there is anything **you** need to change or do not understand please contact the person who arranged **your policy**/ Renovation Insurance Brokers, alternatively **you** may contact **us**.

The laws that apply to this contract

Under the laws of the United Kingdom (England, Scotland, Wales and Northern Ireland) both **parties** may choose the law which applies to **your policy** to the extent permitted by those laws. However, unless the **parties** have otherwise agreed in writing, the law which applies to this contract is the law which applies to the part of the United Kingdom where the **insured location** affected by **your** claim is situated.

If an **insured location** is situated in the Channel Islands or the Isle of Man the respective law of each will apply.

The **parties** also agree that all disputes between them in connection with **your policy** will take place in the courts of the part of the United Kingdom where the **insured location** is situated. If an **insured location** is situated in either the Channel Islands or the Isle of Man the respective courts of each will be used.

Unless otherwise agreed in writing, the language of **your policy**, and all communications relating to it, will be in English.

Duration of your policy

Unless **we** have agreed to provide cover during the **rectification period** **your policy** will end on the earlier of the following dates:

- (a) expiry of the **construction period** stated in the **schedule**, or
- (b) issue of a certificate of completion or taking over certificate, or,
- (c) achievement of **practical completion**, or,
- (d) being taken into use,

However, if there is a requirement under the **contract**:

- (i) resting upon the contractor, for cover to remain in force for a further 14 days, this will be provided by **your policy**
- (ii) for a more limited form of cover for rectification of defects following the end of the **construction period** this will be provided by Additional Cover 2 under Section 1 of **your policy**.

How your insurance cover works *(continued)*

Non standard construction and open trench works

Unless agreed otherwise, and stated in the **schedule**, please note that General Exclusions 18 and 19 respectively exclude:

- (a) **insured property** which is not of **standard construction**.
- (b) damage from any open trench work at a depth of 5.5 metres or more below the normal ground level surrounding the **site**.

In the event that **we** have agreed to remove or amend the Exclusion(s) and provide cover for non **standard construction** and / or work at a depth of 5 metres or more, an **endorsement** detailing the change(s) will be shown in **your schedule**.

Your responsibility to give us correct information

You are responsible for ensuring all information relating to **your policy** is complete and accurate and that **you** have not withheld any important facts. In issuing **your policy** **we** have relied on the information **you** gave **us**. **You**, or anyone acting for **you**, must tell **us** about any change in circumstance which occurs before or during the **period of insurance** which may affect **your policy**. **We** may then change the terms of **your policy**. **You**, or anyone acting for **you**, should contact **us** if **you** are not sure what to tell **us**.

If **you**, or anyone acting for **you**, have not told **us** about, or have misrepresented any important facts which affected **our** decision to provide **your policy** or the terms of **your policy**, **we** may treat **your policy** as though it never existed. Alternatively, **we** may change the terms of **your policy** and not pay **your** claim or part of **your** claim. If **we** treat **your policy** as if it never existed **we** are entitled to recover all claims already paid under **your policy**. If **we** treat **your policy** as if it never existed on the grounds of fraud **we** are also entitled to keep the premium.

If **you**, or anyone acting for **you**, make a claim under **your policy** knowing any part of that claim is false or fraudulently exaggerated, **we** will not pay the claim and **we** may treat **your policy** as if it ceased to exist from the date of the fraud. **We** may also cancel any other policies **you** have with **us**.

How your insurance cover works *(continued)*

Your rights to cancel your insurance

Cooling off period

At the start of **your** insurance, **you** have 14 days to check **you** are happy with the insurance cover **you** have bought. If the cover does not meet **your** needs, **you** may cancel **your policy** by telling **us** in writing and returning the **policy** documents. This 14 day period starts on the day **you** receive **your policy** documents or the date **your policy** starts whichever is the later. **You** cannot cancel if **you** have made a claim. If **you** do cancel within 14 days, **we** will refund all of the premium **you** have paid.

More than 14 days

If **you** have not made a claim **you** may cancel **your policy** at any time during the **policy period of insurance**, by telling **us** in writing and giving **us** 7 days notice. When **we** receive **your** notice **we** will arrange to cancel **your policy** and calculate a refund which will be a percentage of the premium calculated on a daily pro-rated basis equivalent to the number of days cover left unused less a cancellation charge (10% of the annual premium). If the amount due to **us** is more than the amount **you** have previously paid, **you** must pay **us** the difference.

Our rights to cancel your insurance

We may cancel **your policy**, if there are serious grounds to do so such as:

- (a) non-payment of premium
- (b) non-compliance with 'Your responsibility to give us correct information'
- (c) failure to supply requested documentation
- (d) non-compliance with 'Our right to survey' Condition detailed below
- (e) non-compliance with General Condition 2 – 'Your duty to prevent loss or damage'
- (f) fraud

Where **we** cancel **we** will provide 14 days prior written notice to **your** Registered Address unless **we** are required to cancel earlier. **We** will refund a percentage of the premium calculated on a daily pro-rata basis equivalent to the period of cover left unused, providing no claims have been made. If a claim has been made, or there has been an incident which may give rise to a claim, no refund of premium will be given and all premiums will be due.

If **we** cancel **your policy** on the grounds of fraud, cancellation may be immediate and **we** may keep any premium **you** have paid. **We** may also inform the Police and any other relevant organisations of the circumstances.

How your insurance cover works *(continued)*

Our right to survey

It is a Condition of the **policy** that **we** reserve the right to have access to and/or survey the **insured property / site** during the **period of insurance**.

If **we** do wish to survey the **insured property / site** **we** will contact **you** to arrange a mutually convenient date and time with **you**.

We will provide insurance in accordance with the terms described in **your** current **schedule** from the start of the detailed **period of insurance** until the date that Renovation Insurance Brokers confirm the results of the survey.

If **you** do not allow **us** access to survey or the results of the survey reveal the risk is detrimentally different from the risk **you** told **us** about when **we** agreed **your insurance**, **we** may:

- a) **require you to** carry out specified risk improvements detailed in the survey report within specific time frames; and
- b) amend the terms of **your insurance**; or
- c) cancel **your policy**.

We will also advise **you** in writing of any other risk improvements that **we** recommend to help **you** reduce the risk of loss or damage, liability or financial loss.

Contract (Rights of Third Parties) Act 1999

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

How your insurance cover works *(continued)*

Our regulators

HSBEIL is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the PRA. The FCA's website includes a register of all regulated firms.

FCA contact details are:

Telephone: +44 (0) 800 111 6768

Website: www.fca.org.uk

What happens if we cannot meet our liabilities

Financial Services Compensation Scheme

If **we** (HSBEIL) cannot meet **our** liabilities, **you** may be able to claim from the Financial Services Compensation Scheme (FSCS).

There are different levels of compensation depending on what kind of insurance **you** have:

- (a) Compulsory insurances are covered for 100% of the claim
- (b) Non compulsory insurances are covered for 90% of the claim

Further information about compensation scheme arrangements is available from the Financial Services Compensation Scheme website at www.fscs.org.uk or by contacting them at:

Financial Services Compensation Scheme
7th Floor, Lloyds Chambers
Portsoken Street
London
E1 8BN

Phone: 0800 678 1100 or 0207 741 4100

Email: enquiries@fscs.org.uk

Customer service

What to do if you are not satisfied

Service from Renovation Insurance Brokers

Renovation Insurance Brokers always aim to provide the highest level of service. However, if a mistake is made Renovation Insurance Brokers will endeavour to put it right promptly.

Renovation Insurance Brokers will always acknowledge receipt of **your** complaint within five working days and will attempt to resolve the problem within four (4) weeks. If not, Renovation Insurance Brokers will let **you** know when an answer may be expected.

If **your** complaint has not been resolved within eight weeks Renovation Insurance Brokers will provide **you** with information about the Financial Ombudsman Service (details provided below) who are able to offer a free and independent service for resolving disputes about most financial matters and issues.

Should **you** wish to make a complaint please contact:

Renovation Insurance Brokers
17 Church Walk
St. Neots
Cambridgeshire
PE19 1JH

Telephone: 08442 641200
Email: info@renovationinsurancebrokers.co.uk

If **your** complaint is about the service Renovation Insurance Brokers have provided, **you** will be informed about who is dealing with **your** complaint. The person to whom the complaint is passed will be fully trained to deal with matters in an objective, fair and reasonable manner.

Service from your insurance intermediary

If **your** complaint relates to the service provided by **your** insurance intermediary (broker)/the person who arranged **your policy** for **you**, Renovation Insurance Brokers will pass the details on to them and will monitor the progress of their investigations.

Service from your insurer

Any complaints that **we** (**your insurer**) are required to resolve will be passed on to **us** by Renovation Insurance Brokers who will advise **you** that this has happened and **we** will let **you** and Renovation Insurance Brokers know the progress of **our** investigations.

Should **you** wish to contact **us you** may do so directly at the following address:

The Group Operations Manager
HSB Engineering Insurance Limited
Chancery Place
50 Brown Street
Manchester
M2 2JT

Telephone: + 44 (0) 845 345 5510
Fax: + 44 (0) 845 345 5610
E-mail: complaints@hsbeil.com

Customer service *(continued)*

How we use your personal information

The personal and business information **you** gave **us** may be used in a number of ways, for example, to make underwriting and claims handling decisions and for fraud detection and prevention. **We** may share **your** information with, and obtain information about **you** from, other insurers, credit reference agencies, fraud prevention agencies, regulatory authorities and third-party agents who provide services on **our** behalf.

If the information **you** gave **us** is sensitive personal data, **you** consent to **our** use of such information as set out above. Where such sensitive personal information relates to anyone other than **you**, **you** must obtain the explicit consent of that person to disclose the information to **us** and for **us** to use it as set out above.

Credit Search

We use information obtained from a number of sources including credit reference agencies. This helps **us** to confirm **your** identity, allows **us** to give **you** a quote and decide which payment options **we** can give **you**. **You** will see a record of this search if **you** request a credit report. No other organisations who conduct credit searches will be able to see it. The search will not affect **your** credit record or credit rating.

Access to the personal information we hold about you

You can ask for a copy of the personal information **we** hold about you by writing to:

The Group Operations Manager
HSB Engineering Insurance Ltd
Chancery Place
50 Brown Street
Manchester
M2 2JT

Telephone: +44 (0) 845 345 5510
Email: info@hsbeil.com

This is subject to the provisions of the Data Protection Act 1998 and may require payment of a fee.

How to make a claim

Check **your schedule** and this **policy** wording which detail what is covered and what is not covered. If **you** have any questions, please contact Renovation Insurance Brokers or **your** insurance intermediary/the person who arranged **your policy**.

Upon discovery of an incident which may give rise to a claim please telephone Renovation Insurance Brokers or **your** insurance intermediary/the person who arranged **your policy**.

When making a claim, it is very important that **you** comply with all of the requirements of **your policy**, particularly General Condition 4 – 'Claim notification and requirements'. Failure to do so may mean that **your** claim, or a part of **your** claim, will not be paid.

You, or anyone acting for **you**, must not make any admission of liability or pay, or agree to pay, any money on our behalf to anyone without our consent.

Following an occurrence which results, or which may result in a claim under **your policy**, **you**, or anyone acting for **you**, must take the following steps:

You or anyone acting for **you**, can notify Renovation Insurance Brokers by telephone on 08442 641200.

In the unlikely event that contact cannot be made as detailed above, the **insurer** can be contacted directly at the following address:

Claims Department
HSB Engineering Insurance Limited
Chancery Place
50 Brown Street
Manchester
M2 2JT

Telephone: + 44 (0) 161 817 2114
Fax: + 44 (0) 161 817 2119
E-mail: new.loss@hsbeil.com

In the event that a claim is advised to **us**; **you** will need to present details of **your policy** (and its **schedule** upon which **your policy** number can be found) and suitable proofs of identity.

Regardless of who **you** advise a claim to, it is important to note the following:

- (a) Inform the Police if **your insured property** is lost, stolen or maliciously damaged and obtain a crime reference number.
- (b) Take photographs of the results of the incident whilst making any necessary and reasonable temporary repairs as soon as possible so as to prevent further loss damage or liability. Please ensure **you** retain the bills or receipts as they may form part of **your** claim.
- (c) **We** must have the chance to inspect any physical loss or damage or the site and circumstances surrounding any **injury** before **you** carry out any permanent repairs or remedial measures.
- (d) **We** may arrange for a claims inspector or loss adjustor to discuss **your** claim with **you** or Renovation Insurance Brokers or **your** insurance intermediary.
- (e) **You** may be asked to complete a claim form which can also be obtained by request from Renovation Insurance Brokers or the person who arranged **your policy**.

Arbitration in the event of claims settlement dispute

If **we** have accepted liability in respect of a claim, but there is a disagreement over the amount to be paid, the dispute can be referred to an arbitrator who will be appointed by both parties in accordance with the statutory provisions applicable.

Other important Conditions

Please also ensure that read the General Conditions of **your policy** on pages 39 to 43 carefully as they further explain **your** and **our** rights and obligations under this contract of insurance.

General Definitions

Certain words and terms within this **policy** are defined and have a specific meaning. These words and terms, as defined below, shall have the same meaning wherever they appear in the **policy**. All defined terms within the **policy** are **bold** so that they can be easily identified.

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

- (a) be plural where singular or singular where plural;
- (b) include any gender where gender is referred to;
- (c) appear in current past or future tense;

and, any words following the terms 'including', 'include', 'in particular', 'for example' or any similar expressions are examples and shall not limit the interpretation of the words or terms preceding those terms.

additional loan interest

charges incurred by **you** during the **indemnity period** on capital borrowed in order to continue to finance the **project** including an amount equivalent to the actual cost incurred by **you** in respect of the acquisition cost of raising or extending such loans.

anticipated date of commencement of commercial operations

the date stated in the **schedule** and detailed in the **contract** when commercial operation of the **business** is planned to commence.

anticipated rental income

the amount of **rental income** that would have been achieved during the **indemnity period** if the insured physical loss or damage had not occurred.

The **anticipated rental income** shall be calculated based on a professional valuation of the likely **rental income** that would have been achieved during the **indemnity period**, with adjustments being made to account for trends and other circumstances affecting the **anticipated rental income** during the **indemnity period**, so that the sum shall represent as accurately as possible the **anticipated rental income** that would have been received if the physical loss or damage had not occurred.

asbestos

crocidolite, amosite, chrysotile, fibrous actinolite, anthophyllite or fibrous tremolite or any mixture containing any of those materials.

asbestos containing materials

any material containing **asbestos** or **asbestos dust**.

asbestos dust

fibres or particles of **asbestos**.

average (underinsurance)

if at the time of any physical loss or damage to **insured property**, it is found that the original value declared to **us** and stated as the **sum insured** (due allowance being made for any escalation percentage provided under the paragraphs headed 'How Much We Will Pay' of **your policy** Sections) is less than the value of the **insured property** at the time of such physical loss or damage, then **you** shall be considered as **your** own insurer for the difference and shall accordingly bear a rateable proportion of the cost of the physical loss or damage.

business

the completed **project**, the subject of this insurance.

contract

the conditions of contract declared to **us** and under which the **contract works** are undertaken.

General Definitions *(continued)*

construction period

the period during which **contract works** are physically undertaken by the contractor and/or sub contractors, including if insured, the **testing and commission period** but prior to commencement of any **rectification period**.

The **construction period** shall end upon:

- (a) expiry of the period stated in the **schedule**, or
- (b) issue of a certificate of completion or taking over certificate, or,
- (c) achievement of **practical completion**, or
- (d) being taken into use,

whichever is the earlier and for a further 14 day period solely where the contractor is required to insure under the terms of the **contract**.

contract works

the specified scope of permanent works described in the **schedule** and undertaken in performance of the **contract** and including **temporary works**, **site materials**, and **free issue materials**.

denial of service attack

any actions or instructions constructed or generated with the ability to damage, interfere with, or otherwise affect the availability of networks, network services, network connectivity, or information systems.

employer

the party on whose behalf the **contract works** are undertaken and whose name is detailed in the **policy schedule** as the **policyholder**.

endorsements

a written change to **your policy** which is included on **your schedule**

excess

The amount for which **you** are responsible as the first part of any agreed claim as stated in the **schedule** and as excluded by General Exclusion I.

existing structures

the structure of the buildings which existed on the **site** prior to commencement of the **contract** including **your** fixtures and fittings, foundations, yards, paths, roads, hoardings and walls around, and pertaining to the building, or other property which has been declared to **us** as being those structures which are being renovated, refurbished, extended or worked upon as part of the **contract works**, or other property which **we** have agreed to provide cover for and which is described in the **schedule**.

existing structures does **not** include:

- (a) unless **you** have legal responsibility for them;
- (i) telephone, gas, water and electricity meters, pipes, cables and the like;
- (ii) drains, sewers or water courses and any cost in cleaning or making good;
- (b) gates or fences
- (c) moveable property in the open.

franchise

the amount shown in the **schedule** in place of the **excess**.

free issue materials

unfixed materials and goods supplied by **you** for incorporation into the **contract works** and for which **you** are responsible, but which have not been included in the final valuation of the **contract works**, the total value of which must be included in any declaration made in respect of Condition 11 Premium Adjustment Clause of this **policy**.

hacking

unauthorised access to any computer, or other equipment, or component, or system, or item which processes, stores, transmits, retrieves or receives data, whether such equipment belongs to **you** or not.

General Definitions *(continued)*

heave

upward movement of the ground beneath the **site** as a result of the soil expanding.

hired in plant

- (a) mechanical, electrical, or manually powered implements;
- (b) materials containment, preparation and handling equipment;
- (c) scaffolding, staging, ladders and similar equipment;
- (d) site huts and cabins;

or similar contractor's plant and equipment hired in by **you**, or **hired in plant** specifically described in the **schedule** against Section 3 – Hired In Plant.

hired in plant does not include any contractor's plant or equipment on a hire purchase, lease agreement, or which is on free loan to **you**.

household contents

household contents as defined within the **endorsement** which forms part of **your schedule** and which includes a description of contents and applies only when stated in the **schedule** as being insured.

injury

bodily injury, mental injury, death, disease, illness, wrongful arrest or false imprisonment.

indemnity period

the period during which the results of the **business** are affected due to the physical loss or damage beginning with:

- (a) the date which, but for the physical loss or damage, the **business** would have reached the **anticipated date of commencement of commercial operations**, and,
- (b) ending not later than the **maximum indemnity period**.

insured property

the property insured by this **policy** which when stated in the **schedule**, shall include:

- (a) **contract works**,
- (b) **free issue materials**,
- (c) **existing structures**,
- (d) **owned plant**,
- (e) **hired in plant**,
- (f) **household contents**.

insured property does not include prototype experimental untried or unproven works or machinery.

interbank lending rate

the prevailing BBA LIBOR (British Banking Association London Interbank Offered Rate) for a Pound Sterling (GBP) 12 months loan at the date of the physical loss or damage.

interest on tied capital

payments that **you** have lost during the **indemnity period** in consequence of using **your** own funds to finance the **project**.

landslip

downward movement of sloping ground.

market value

the estimated amount that **your insured property** should sell for, fair wear and tear excepted, had that sale been achieved prior to the occurrence of insured physical loss or damage, in an equitable sales transaction where each party involved in the sale has acted knowledgeably, prudently and without compulsion.

maximum indemnity period

the number of months stated in the **schedule**.

General Definitions *(continued)*

original estimated contract price

the estimated or quoted value of the **contract works** prior to commencement including any other cost in connection with the **contract**.

other insured parties

parties other than **you** who are stated in the **schedule**:

- (a) and are required by the terms of the **contract** to be, or,
- (b) whose interest **we** have specifically agreed to include in the **policy** as

joint named insured to **your policy**.

owned plant

- (a) mechanical, electrical, or manually powered implements;
- (b) materials containment, preparation and handling equipment;
- (c) scaffolding, staging, ladders and similar equipment;
- (d) site huts and cabins;

or similar contractor's plant and equipment owned by **you**, or **owned plant** specifically described in the **schedule** against Section 2 – **owned plant**.

period of insurance

the period of time stated in the **schedule**, which commences at the same time as the **construction period and** shall either;

- (a) expire at the same time as **construction period** ,or,
- (b) if insured, on completion of the **rectification period**.

person employed

any person under a contract of service or apprenticeship with **you** and shall include any of the following persons whilst working for **you** in connection with the **contract works**:

- (a) any contractor, subcontractor, or any servant or agent of **yours** or of the contractors or subcontractors or **other insured parties**;
- (b) any labour master or labour only subcontractor or person supplied by him;
- (c) any self employed person;
- (d) any person who is borrowed by or hired to **you** including persons on secondment from overseas countries;
- (e) any trainee or person undergoing work experience;
- (f) prospective employees being assessed by **you** as to their suitability for employment;
- (g) any voluntary helper.

policy

this document (also at times referred to as the **contract**) including **your schedule** and any **endorsement(s)**.

practical completion

when in the architect's or contract administrator's opinion, completion of the **contract works** is achieved such that, regardless of any minor rectification works to be addressed during the **rectification period**, the **project** is ready for human habitation.

project

items (a), (b) and (c) of **insured property**.

rebuild cost

the cost of rebuilding or repairing the existing structure that has suffered physical loss or damage to the same condition prevailing at the time of the occurrence of the physical loss or damage.

rectification period

the period stated in the **schedule** (also sometimes referred to as the maintenance period or the defects liability period) that is detailed under the terms of the **contract** where the contractor is contractually obliged to rectify or remedy any defects in the permanent works.

The **rectification period** will commence immediately following the **construction period** and shall not exceed a period of 12 months, or the period detailed in the **contract** if less.

rental income

the money paid, or payable to **you** for rental of the **business**.

General Definitions *(continued)*

schedule

the document that forms part of the **policy** and which contains **your** details, the **sum(s) insured and sub limits** and the Sections of cover that are or are not insured.

settlement

downward movement as a result of the soil being compressed by the weight of the **site** within ten years of construction.

site

the location where the **contract works** are undertaken within the enclosed area or formal boundary that immediately surrounds **your** property.

site materials

those defined within the **contract** document, or in the absence of such a definition shall mean all unfixed materials.

standard construction

constructed of brick, stone or concrete and roofed with slates, tiles, asphalt, metal or concrete and not:

- (a) roofed in whole or in part with thatch
- (b) of timber framed construction (other than normal roof trusses, supports and beams) or otherwise constructed or insulated with combustible material.

sub limit

the amount(s) stated in the **schedule** being the maximum amount **we** will pay, irrespective of the number of parties insured by the **policy**.

subsidence

downward movement of the ground beneath the **site** other than by **settlement**.

sum insured

the amount(s) stated in the **schedule** being the total amount **we** will pay, irrespective of the number of parties insured by the **policy**.

temporary works

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

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

territorial limits

United Kingdom, the Channel Islands, and the Isle of Man.

testing and commissioning period

the period commencing for each item of **insured property** with the application of the first test-load or the first introduction of fuel, feedstock or process materials or when supply to a system commences and shall last for the duration stated in the **schedule** or until the item has passed its tests, whichever is the earlier.

time exclusion

the period of time stated in the **schedule** beginning with the **anticipated date of commencement of commercial operations** of the **project** had the physical loss or damage not occurred and during which **we** shall not be liable for Financial Loss or any other costs or expenses.

transit

the carriage of the **insured property** within the **territorial limits** to or from the **site** including loading on to and unloading from the conveyance used but excluding any **transit** by sea or air.

virus or similar mechanism

any program, code, programming instruction, or any set of instructions intentionally constructed with the ability to damage, interfere with, or otherwise adversely affect computer programs, data files or operations, whether involving self-replication or not.

we/us/our/insurer

HSB Engineering Insurance Limited.

you/your

the **policyholder** named in the **schedule**.

Section I: Contract Works and Existing Structures

What Is Covered

This Section provides **you** with insurance cover for physical loss or damage occurring during the **construction period** to:

Cover One **contract works** on or adjacent to the **site** of any **contract** including whilst in **transit**;

Cover Two **existing structures** at the **contract site** provided that Cover One is also stated in the **schedule** as insured.

If insured physical loss or damage occurs **we** can pay **you** the value of the **contract works** and/or **existing structures** at the time of the occurrence, or, at **our** option, pay **you** the cost of reinstating or replacing such **contract works** and/or **existing structures** and any such payment can be made subject to reinstatement or replacement taking place.

How Much We Will Pay

We will not pay more than:

- (a) in respect of any one loss, or series of losses arising from any one occurrence, for:

Cover One - the lesser of:

- (i) the **original estimated contract price** plus the cost of any additions amendments or variations including the value of **free issue materials** or,
- (ii) the **sum insured**

The amount under (ii) above may be increased by not more than 25% should the **original estimated contract price** plus the cost of any additions, amendments or variations including the value of any **free issue materials** exceed the **sum insured** stated in the **schedule**.

Cover Two - the lesser of:

- (i) the **rebuild cost** or,
- (ii) the **sum insured**

The amount under (ii) above may be increased by not more than 10% of amount of (i) above should the **rebuild cost** exceed the **sum insured** stated in the **schedule**.

- (b) the **sum insured** together with any other stated financial limit(s) stated in the **schedule** for this Section irrespective of the number of losses or claims notified.

Unless otherwise stated in the **schedule**, the **sum(s) insured** and any **sub limit(s)** will be reduced by the amount of any insured claim.

Additional Covers applying only to section one *(continued)*

Section I is extended to include the following Additional Covers and, unless otherwise stated in the **schedule**, any **sub limits** are provided in addition to the **sum insured** and shall be reduced by the amount of any paid claim,

1. Plans and Documents

We will pay for clerical cost necessarily incurred in re-writing or reproducing plans, drawings or other **contract** documents following insured physical loss or damage occurring within the **territorial limits**.

Provided that **we** shall not pay more than the **sub limit** stated in the **schedule** for this Additional Cover.

2. Rectification Period

We will pay for the cost of physical loss of or damage to the permanent **contract works**:

- (a) during the **rectification period** stated in the **schedule** from a cause occurring whilst in **transit** or at the **site** of the **contract works** prior to the commencement of the **rectification period** but after the date that **your policy** cover commenced.
- (b) caused by the contractor during the course of any operations carried out for the purpose of complying with the contractors obligations under the provisions of the **contract** in respect of any **rectification period** stated in the **schedule**.

The cover provided during this Additional Cover is limited only to that provided by this Additional Cover and applies solely where demanded by, and to no greater extent than, the requirement under **contract**.

3. Dismantling or Demolition

We will pay for:

- (a) the cost necessarily incurred in respect of:
 - (i) removal of debris,
 - (ii) dismantling or demolition,
 - (iii) shoring or propping up,
 - (iv) clearance of drains and sewers,
 - (v) dewatering,

resulting from physical loss of or damage insured under Section I, and for which cover is provided by this **policy**.

- (b) the cost of removal of debris arising from unauthorised tipping or inundation of the **site**, but only occurring after commencement of the **contract**.

Provided that **we** shall not pay more than the **sub limit** stated in the **schedule** for this Additional Cover.

Additional Covers applying only to section one *(continued)*

Section I is extended to include the following Additional Covers and, unless otherwise stated in the **schedule**, any **sub limits** are provided in addition to the **sum insured** and shall be reduced by the amount of any paid claim,

4. Loss Avoidance Measures

We will pay reasonable cost incurred in taking exceptional measures to prevent or mitigate impending physical loss or damage insured by this **policy**.

Provided that:

- (a) physical loss or damage would reasonably be expected if such measures were not implemented.
- (b) **we** are satisfied that physical loss or damage has been avoided or mitigated by taking the exceptional measures.
- (c) the amount **we** will pay is limited to the cost of physical loss or damage which would have occurred if the exceptional measures had not been taken.
- (d) the terms, Conditions and Exclusions of this **policy** apply as if physical loss or damage had occurred.

We will not pay more than the **sub limit** stated in the **schedule** for this Additional Cover.

5. Expediting Cost

We will pay cost necessarily and reasonably incurred in making temporary repairs upon and / or expediting the repair, reinstatement, or replacement of **contract works** and/or **existing structures** as a result of physical loss or damage for which cover is provided by this **policy**.

We will not pay more than the **sub limit** stated in the **schedule** for this Additional Cover.

6. Off Site Storage

We will pay for the cost of insured physical loss or damage to materials and goods for which **you** are responsible (other than items of stock, property, materials, or equipment intended for sale) intended for inclusion in any **contract works** covered by this **policy** in **transit** to or from and whilst temporarily stored within the **territorial limits**.

We will not pay more than the **sub limit** stated in the **schedule** for this Additional Cover.

7. Local Authorities Clause

We will pay for the additional cost of reinstatement of the **contract works** and/or **existing structures** which has suffered insured physical loss or damage.

Provided that:

- a) such cost is incurred solely to comply with European Union Legislation for building and other regulations under, or framed in pursuance of, any Act of Parliament or with the Bye-Laws of any Municipal or Local Authority.
- b) the work of reinstatement must be commenced and carried out within a reasonable timescale and may be carried out wholly or partially upon another location subject to the amount **we** are liable to pay not being increased by doing so.

We will not pay for:

- (i) cost incurred in complying with any of the said legislation, regulations or bye-laws;
 1. under which notice has been served on **you** prior to the occurrence of the physical loss or damage,
 2. in respect of undamaged **contract works** and/or **existing structures**, or portions of undamaged **contract works** and/or **existing structures**, other than foundations.
- (ii) the amount of any tax rate, development duty or other charge or assessment arising out of capital appreciation which may be payable in respect of **contract works** and/or **existing structures** or by **you** as the owner of the **contract works** and/or **existing structures** in order to comply with any legislation, regulations or bye-laws.

Additional Covers applying only to section one *(continued)*

Section I is extended to include the following Additional Covers and, unless otherwise stated in the **schedule**, any **sub limits** are provided in addition to the **sum insured** and shall be reduced by the amount of any paid claim,

8. Architects Surveyors and Consulting Engineers Fees

We will pay architects, surveyors, consulting engineers, and other professional fees necessarily incurred in the reinstatement of the **project** following physical loss or damage for which cover is provided by this **policy**.

We will not pay for the cost of preparing any claim.

9. Trace And Access

We will pay for the cost incurred by **you** to find the point of escape of water from any plumbing or heating systems installed for the purpose of the **contract**.

We will not pay more than the **sub limit** stated in the **schedule** for this Additional Cover.

10. Alternative Accommodation

We will pay the reasonable additional cost incurred by **you** for renting similar temporary accommodation if the **contract works/existing structures** are uninhabitable as a result of insured physical loss or damage to and resulting delay in achievement of **practical completion** and/or handing over of the **contract works**.

We will not pay:

- (a) for alternative accommodation cost unless they are incurred as a direct consequence of physical loss or damage to **contract works** and/or **existing structures** for which cover is provided under Section 1 of this **policy**.
- (b) more than the **sub limit** stated in the **schedule** for this Additional Cover.

11. Fire Brigade Charges

We will pay for the cost of charges arising from the activities of the attending fire authority in dealing with the consequences of physical loss or damage for which **we** have already agreed is covered by the **policy**.

We will not pay more than the **sub limit** stated in the **schedule** for this Additional Cover.

Exclusions applying only to Section I

The following Exclusions apply to this Section. In addition, please refer to the General Exclusions which apply to all Sections of the policy.

I. Partial Completion

we do not cover physical loss or damage to the **project** or any part of it where:

- (a) a certificate of completion or taking over certificate has been issued, or,
- (b) **practical completion** has been achieved, or
- (c) has been taken into use,

however, where parts of the **project** are completed and handed over to **you** during the **construction period**, this Exclusion will not apply if **existing structures** are detailed in the **schedule** as insured and where other phases of the **contract works** remain incomplete.

Provided that:

- (i) the **contract works sum insured** will automatically be reduced by the amount of the **contract works** completed and handed over to **you** and the **existing structures sum insured** will automatically be increased by the amount of **contract works** completed and handed over to **you**.
- (ii) the process of reduction and increase in **sum insured** detailed in (i) above will continue until all of the **contract works** are completed and:
 - 1. the **existing structure** is fully restored to **your** control, or,
 - 2. alternative insurance has been arranged,

whichever occurs first.

- (iii) in consequence of this Exclusion, **our** liability will:

- 1. not be increased in any way and, for the avoidance of doubt, under no circumstances will **we** pay more than the **sum(s) insured** stated in the **schedule**.
- 2. cease on expiry of the **period. of insurance**.

2. Defective Design, Materials, or Workmanship

we do not cover physical loss of or damage to, or the cost necessary to replace, repair, or rectify:

- (a) **insured property** which is in a defective condition due to a defect in design, plan, specification, materials, or workmanship of such **insured property** or any part of it.
- (b) **insured property** which is necessary to enable the replacement, repair or rectification of **insured property** excluded by (a) above.

Item (a) above shall not apply to other **insured property** which is free of the defective condition but is damaged in consequence thereof.

For the purpose of the **policy** and not merely this Exclusion, the **insured property** shall not be regarded as physically lost or damaged solely by virtue of the existence of any defect in design, specification, materials, or workmanship in the **insured property** or any part of thereof.

3. Non-Ferrous Metals

we do not cover theft of unfixed non-ferrous metals of any description unless they are contained within:

- (a) a secured and locked purpose built security container;
- (b) the **existing structures** and all openings have been secured by doors and windows having been fitted and doors and windows have been locked.

Exclusions applying only to Section I *(continued)*

The following Exclusions apply to this Section. In addition, please refer to the General Exclusions which apply to all Sections of the **policy**.

4. Subsidence, Heave or Landslip

we do not cover physical loss or damage by **subsidence** or **heave** of the **site** on which the **project** stands or **landslip**:

- (a) to swimming pools, hot tubs, tennis courts, service tanks, central heating oil tanks, ground source heating pumps, terraces, paths, drives, walls, fences, gates and hedges

unless the **site** is damaged by the same cause and at the same time.

- (b) caused by or arising from impact and infill.
- (c) caused by or arising from **settlement**.
- (d) caused by or arising from riverbank or coastal erosion.
- (e) caused by or arising from any movement of solid floor slabs, unless the foundations beneath the exterior walls of the **project** are damaged by the same cause and at the same time.

For the purposes of this Exclusion the following definitions are added to **your policy**.

Section 2: Owned Plant

What Is Covered

This Section provides **you** with insurance cover for physical loss or damage occurring during the **period of insurance** to **owned plant** used in performance of the **contract works** whilst situated anywhere within the **territorial limits** and whilst in **transit**.

How Much We Will Pay

We will not pay more than:

- (a) in respect any one loss, or series of losses arising from any one occurrence, to **owned plant** which at the time of the occurrence of the physical loss or damage is:
 - (i) more than one year old; the **market value** of the item(s) concerned at the time of the physical loss or damage;
 - (ii) one year old or less; the cost of reinstatement which shall mean, where repair is:
 - 1. uneconomic or impractical, **we** will agree replacement by new property of equal performance or capacity or, if this is impossible, its replacement by new property having the nearest higher performance or capacity to the **owned plant** physically lost or damaged,
 - 2. economic and practical, **we** will agree restoration of the damaged portion of the **owned plant** to a condition substantially the same as but not better or more extensive than its condition when new.
- Provided that:
- (A) reinstatement is carried out without delay and in the most economical manner.
 - (B) where any **owned plant** is physically damaged or lost in part only the amount **we** will pay will not exceed the cost of reinstatement had it been wholly lost.
 - (C) **we** reserve the right to make no payment until reinstatement has been carried out.
 - (D) the amount **we** pay will not exceed the new replacement value of the **owned plant** physically lost or damaged.
 - (E) if reinstatement is not carried out the amount **we** pay will not exceed the **market value** of the item(s) subject to the cost not exceeding the cost of reinstatement.
- (b) the **sum insured** together with any other stated financial limit(s) stated in the **schedule** for this Section irrespective of the number of losses or claims notified.

Unless otherwise stated in the **schedule**, the **sum insured** will not be reduced by the amount of any insured claim.

Additional Covers applying only to Section 2

Section 2 is extended to include the following Additional Covers and, unless otherwise stated in the **schedule**, any **sub limits** are provided in addition to the **sum insured** and shall be reduced by the amount of any paid claim,

1. Immobilised Plant

we will pay for the cost necessarily incurred in the recovery of unintentionally immobilised **owned plant** (other than plant or equipment working underground or underwater)

Provided that:

- (a) recovery is not made necessary by or results from:
 - (i) its own electrical or mechanical breakdown, derangement, failure or explosion.
 - (ii) failure to maintain plant or equipment in accordance with manufacturer's recommendations.
- (b) **we** will not pay more than the lesser of:
 1. the **sub limit** stated in the **schedule** for this Additional Cover, or.
 2. the sum which would have been payable had the cost not been incurred.
- (c) **we** shall not be liable for physical loss or damage caused by the process of recovery.

2. Contents of Site Huts

We will pay for the items contained within site huts, other than:

- (a) computers and peripheral equipment.
- (b) items excluded elsewhere in this **policy**.

Provided that **we** will not pay more than the **sub limit** stated in the **schedule** for this Additional Cover.

Conditions applying only to Section 2

The following Conditions apply to this Section. In addition, please refer to the General Conditions which apply to all Sections of the **policy**.

1. Losses from vehicles limitation

in respect of any one event involving theft of or malicious damage to machine attachments, power tools, hand tools, and manually powered implements from vehicles **we** will not pay more than £5,000 under this **policy** prior to the application of the **excess**.

Exclusions applying only to Section 2

The following Exclusions apply to this Section. In addition, please refer to the General Exclusions which apply to all Sections of the **policy**.

1. Excluded Parts

we do not cover physical loss of or damage to:

- (a) tyres, tools, cutting edges, moulds, dies, patterns, non-metallic linings, glass, pulverising and crushing surfaces, flexible pipes, trailing cables, drive belts, or parts requiring periodic renewal unless arising from a malicious act or forming part of other insured physical loss or damage.
- (b) safety or protective devices due to their functioning.

2. Plant Hired Out

we do not cover physical loss of or damage to any **owned plant** whilst hired out or on loan to any third party.

Section 3: Hired In Plant

What is Covered

This Section insures **you** legal liability under the terms of a hiring agreement to pay

- (a) for physical loss of or damage to **hired in plant**,
- (b) continuing hiring charges for **hired in plant** following physical loss or damage insured under (a) above,

occurring during the **period of insurance**, whilst used in performance of the **contract works** anywhere within the **territorial limits** including whilst in **transit**.

We will also, where legal proceedings have been defended, with **our** written consent, pay legal expenses for which **you** may be liable.

How Much We Will Pay

The total amount **we** will be liable to pay including costs and expenses:

- (a) in respect of any one loss, or series of losses arising from any one occurrence
- (b) irrespective of the number of losses or claims notified,

shall not exceed the **sum insured** together with any other stated financial limit(s) stated in the **schedule** for this Section.

Provided that:

- (i) the amount which **we** pay is no more than **we** would have paid had **you** hired the **hired in plant** under Model Conditions for the Hiring of Plant recommended by the Construction Plant-hire Association or the Scottish Plant Owners Association in force at the time of the hire.
- (ii) where **you** re-hire the **hired in plant** to another party, the hiring agreement places an identical or wider and more burdensome legal liability on that party to the conditions under which **you** originally hired the **hired in plant**.
- (iii) unless otherwise stated in the **schedule**, the **sum insured** will not be reduced by the amount of any insured claim.

Additional Covers applying only to Section 3

Section 3 is extended to include the following Additional Covers and, unless otherwise stated in the **schedule**, any **sub limits** are provided in addition to the **sum insured** and shall be reduced by the amount of any paid claim,

I. Immobilised Plant

we will pay for the cost necessarily incurred in the recovery of unintentionally immobilised **hired in plant** (other than plant or equipment working underground or underwater) provided that:

- (a) recovery is not made necessary by or results from;
 - (i) its own electrical or mechanical breakdown, derangement, failure or explosion.
 - (ii) failure to maintain plant or equipment in accordance with manufacturer's recommendations.
- (b) **we** will not pay more than the lesser of:
 1. the **sub limit** stated in the **schedule** for this Additional Cover.
 2. the sum which would have been payable had the cost not been incurred.
- (c) **we** shall not be liable for physical loss or damage caused by the process of recovery.

Additional Covers applying only to Section 3 (continued)

Section 3 is extended to include the following Additional Covers and, unless otherwise stated in the **schedule**, any **sub limits** are provided in addition to the **sum insured** and shall be reduced by the amount of any paid claim,

2. Contents of Site Huts

we will pay for the items contained within site huts, other than:

- (a) computers and peripheral equipment;
- (b) items excluded elsewhere in this **policy**.

Provided that **we** will not pay more than the **sub limit** stated in the **schedule** for this Additional Cover.

Conditions applying only to Section 3

The following Conditions apply to this Section,.. In addition, please refer to the General Conditions which apply to all Sections of the **policy**.

1. Losses from vehicles limitation

in respect of any one event involving theft of or malicious damage to machine attachments, power tools, hand tools, and manually powered implements from vehicles **we** will not pay more than £5,000 under this **policy** prior to the application of the **excess**.

Exclusions applying only to Section 3

The following Exclusions apply to this Section. In addition, please refer to the General Exclusions which apply to all Sections of the **policy**.

1. Excluded Parts

we do not cover loss of or damage to:

- (a) tyres, tools, cutting edges, moulds, dies, patterns, non-metallic linings, glass, pulverising and crushing surfaces, flexible pipes, trailing cables, drive belts, or parts requiring periodic renewal unless arising from a malicious act or forming part of other insured physical loss or damage.
- (b) safety or protective devices due to their functioning.

2. Plant Hired Out

we do not cover physical loss of or damage to any **hired in plant** whilst hired out or on loan to any third party.

Section 4: Property Owner's Liability

What is Covered

This Section insures **you** during the **construction period** in respect of **your** legal liability to pay compensation and claimants costs and expenses in respect of accidental:

- (a) **injury** of any person
- (b) loss of or damage to property
- (c) nuisance, trespass to land or interference with any easement, right of air, light, water or way, other than legal liability for damages which result from a deliberate act or omission by **you** or which is a natural consequence of the ordinary conduct of the **contract**, and which could reasonably have been expected by **you** having regard to the nature and circumstances of such act or omission,

occurring within the **territorial limits** and arising out of or in connection with the **contract**. **We** will also pay costs of legal representation and expenses incurred with **our** written consent, at:

- (i) any coroner's inquest or inquiry in respect of any death,
- (ii) proceedings in any court arising out of any alleged breach of statutory duty resulting in any occurrence specified in (a), (b) or (c) above,

and other costs and expenses including legal representation, incurred with **our** written consent, in relation to any matter which may form the subject of a claim for indemnity under this Section.

How Much We Will Pay

The total amount **we** will be liable to pay including costs and expenses for:

- (a) any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause and
- (b) all **injury** or loss and damage occurring irrespective of the number of claims or claimants

shall not exceed the **sum insured** together with any other stated financial limit(s) stated in the **schedule** for this Section.

Other than when caused by insured **pollution and contamination**, unless otherwise stated in the **schedule**, the **sum insured** will not be reduced by the amount of any insured claim.

Definition

For the purposes of Section 4 only, **pollution and contamination** shall mean:

- (a) all **pollution or contamination** of buildings or other structures or of water or land or the atmosphere and
- (b) all **injury** or loss or damage directly or indirectly caused by such **pollution or contamination**.

All **pollution or contamination** which arises out of one occurrence shall be deemed to have occurred at the time such occurrence takes place.

Additional Cover applying only to Section 4

Section 4 is extended to include the following Additional Covers and, unless otherwise stated in the **schedule**, any **sub limits** are provided in addition to the **sum insured** and shall be reduced by the amount of any paid claim,

I. Compensation for Court Attendance

We will pay compensation to **you** if during the **period of insurance you** or any of **your** partners, directors or employees are at **our** request required to attend court as a witness in connection with a claim which is the subject of indemnity under this Section 4.

Provided that such compensation is in accordance with the **sub limit(s)** stated in the **schedule** for this Additional Cover.

Conditions applying only to Section 4

The following Conditions apply to this Section. In addition, please refer to the General Conditions which apply to all Sections of the **policy**.

I. Discharge of Liability

we may at any time pay the **sum insured**, or any less amount for which the claim(s) can be settled less any sums already paid. **We** will then relinquish control of such claim(s) and **we** will be under no further liability in respect of such claim(s), except for costs and expenses which **we** are responsible for prior to the date of such payment.

Exclusions applying only to Section 4

The following Exclusions apply to this Section. In addition, please refer to the General Exclusions which apply to all Sections of the **policy**.

We do not provide any cover for liability:

I. Use of Vehicles Aircraft and Water-borne Craft

arising from, or out of the ownership, possession, or use by **you** or on **your** behalf or by any **other insured parties** entitled to indemnity under the **policy** of any:

- (a) aircraft or other aerial device, hovercraft or any other water-borne craft.
- (b) mechanically propelled vehicles, where insurance or security under Road Traffic Act legislation is required other than:
 - (i) where such vehicle is being used as a tool of trade,
 - (ii) during loading or unloading of any such vehicle,

on the **site** of the **project**.

2. Persons employed

for **injury** of any **person employed**.

Exclusions applying only to Section 4 (continued)

The following Exclusions apply to this Section. In addition, please refer to the General Exclusions which apply to all Sections of the policy.

We do not provide any cover for legal liability:

3. Property in Your Charge or Control

for or arising from physical loss of or damage to any property belonging to or in the charge or control of **you** or any of the **other insured parties**, other than:

- (a) personal effects or vehicles of any partner, director or **person employed** or visitor to the **site** of the **project**.
- (b) premises not belonging, leased, rented or hired to **you** or any of the **other insured parties** but temporarily in **your** or any of the **other insured parties** charge for the purpose of carrying out the **contract**.
- (c) premises (including their fixtures and fittings) leased, rented or hired to **you** or any of the **other insured parties**, but Section 4 shall not apply to liability attaching to **you** or any of the **other insured parties** solely under terms of any tenancy or other agreement.

4. Pollution or Contamination

caused by or arising directly or indirectly from **pollution or contamination** unless the **pollution or contamination** is caused by a sudden, identifiable, unintended, and unexpected occurrence which takes place in its entirety at a specific moment in time and place during the **construction period**.

Provided that all **pollution or contamination** which arises out of one occurrence shall be considered by **us** for the purposes of this **policy** to have occurred at the time such occurrence takes place.

5. Advice or Service Provided

arising from or in connection with advice, design, specification or service provided for a fee.

6. Defects or Alleged Defects

for the costs of remedying any defect or alleged defect.

7. Asbestos or Asbestos Containing Materials

- (a) for the costs of remedying the presence of, **asbestos, asbestos dust** or **asbestos containing materials**.
- (b) for **injury** arising out of actual or suspected exposure to **asbestos dust** or **asbestos containing materials**.
- (c) for the the costs of management (including those of any persons under any statutory duty to manage) removal, repair, alteration, recall, replacement or reinstatement of any property or part thereof arising out of the presence of **asbestos, asbestos dust** or **asbestos containing materials**.

8. Fines, Penalties & Damages

- (a) for fines, penalties or liquidated damages.
- (b) for compensation ordered or awarded by a Court of Criminal Jurisdiction.
- (c) For aggravated, exemplary, or punitive damages awarded by any court outside of Great Britain, Northern Ireland the Channel Islands or the Isle of Man.

9. Loss or Damage Recoverable Under Section 1

for the cost of repairing or replacing loss or damage to the **insured property** to the extent that such loss or damage is recovered or recoverable under Section 1 of this **policy**.

Section 5: Non Negligent Liability

What is Covered

We will indemnify **you** in respect of any expense, liability, loss, claim or proceedings which **you** may incur or sustain by reason of **injury** of any person or damage to any property, where negligence by the contractor and any sub-contractors cannot be clearly established, happening during the **period of insurance** and caused by:

- (a) collapse;
- (b) **subsidence**;
- (c) **heave**;
- (d) vibration;
- (e) weakening or removal of support;
- (f) lowering of ground water;

and arising out of, in the course of, or by reason of the carrying out of the **contract works**.

In addition **we** will pay costs and expenses incurred in the defence, investigation or settlement of any claim provided **we** have given **our** consent in writing.

How Much We Will Pay

The total amount **we** will be liable to pay including costs and expenses for:

- (a) any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause and
- (b) all **injury**, loss and damage occurring during any one **period of insurance** irrespective of the number of claims or claimants

shall not exceed the **sum insured** together with any other stated financial limit(s) stated in the **schedule** for this Section.

Unless stated otherwise in the **schedule** the **sum insured** will be reduced by the amount of any insured claim.

Conditions applying only to Section 5

The following Conditions apply to this Section, and they are Conditions precedent to **our** liability. In addition, please refer to the General Conditions which apply to all Sections of the **policy**.

I. Discharge of liability

we may at any time pay the **sum insured**, or any less amount for which the claim(s) can be settled less any sums already paid. **We** will then relinquish control of such claim(s) and **we** will be under no further liability in respect of such claim(s), except for costs and expenses which **we** may be responsible for prior to the date of such payment.

Exclusions applying only to Section 5

The following Exclusions apply to this Section. In addition, please refer to the General Exclusions which apply to all Sections of the policy.

We do not provide any cover for legal liability for any expense, liability, loss, claim or proceedings:

1. Contracts or Agreements

incurred by **you**, **your** contractor(s) or sub-contractor(s) or any servant or agent of **you** or **your** contractor(s) or sub-contractor(s) or **other insured parties**, for breach of any contract except to the extent that such costs or expenses would have attached in the absence of such contract.

2. Negligence

arising from **injury** or damage caused by the negligence, omission, breach of statutory duty, or default of **you** or **your** contractor(s) or subcontractor(s) or any servant or agent of **you** or of **your** contractor(s) or subcontractor(s) or any **other insured parties** involved in the **contract** (except **you**).

3. Errors And Omissions

arising from **injury** or damage attributable to errors or omissions in the designing, planning or specification of the **project**.

4. Inevitable Damage

arising from **injury** or damage which can reasonably be foreseen to be inevitable, having regard to the nature of the work to be executed or the manner of its execution.

5. Penalties or Damages

arising from **injury** or damage which arises as a penalty under contract, or any sum payable by way of damages for breach of contract.

6. Other Insurance

arising from **injury** or damage for which cover is provided under any other contract of insurance effected for the benefit of **you**, **your** contractor or subcontractor(s) or any servant or agent of **you** or **your** contractor(s) or sub-contractor(s), or **other insured parties**.

7. Damage to The Project

arising from **injury** or damage to property belonging to or in the charge or control of **you**, including the **project** and any other materials or property brought onto **site** for the purposes of its execution except in so far as any part or parts thereof are the subject of a **practical completion** certificate.

Section 6: Advance Loss of Rent and Loss of Interest

What is Covered

This Section insures **your** Financial Loss if the **anticipated date of commencement of commercial operations** of the **business** is delayed by more than the **time exclusion** as a direct consequence of physical loss or damage occurring during the **construction period** which is insured (or would be insured but for the application of any **excess** applicable) under Section 1 – Contract Works and Existing Structures.

For the purposes of this Section 6, and where stated in the **schedule**, Financial Loss means (a) and / or (b) below:

(a) **Cover Option One – loss of rental income**

- (i) the amount by which the **rental income** falls short of the **anticipated rental income**
- (ii) increased cost of working

incurred during the **indemnity period** but excluding any amounts payable out of **rental income** which shall cease or which are reduced as a result of the insured physical loss or damage.

(b) **Cover Option Two – additional loan interest**

Item (i) **additional loan interest** and/or *increased cost of working*
and/or;

Item (ii) **interest on tied capital** and/or *increased cost of working*
incurred during the **indemnity period** but excluding any amounts:

1. saved in respect of charges or expenses which shall cease or which are reduced as a result of the insured physical loss or damage.
2. receivable as interest earned on the proceeds of any other policy of insurance payable due to the physical loss or damage.
3. receivable as interest earned on monies invested which would not have been available for investment but for the physical loss or damage.

For the purposes of Section 6 (a) and (b) only, *increased cost of working* means:

the additional expenditure necessarily and reasonably incurred by **you** solely to avoid or reduce, in respect of:

1. (a) **Cover Option One**; the loss of **rental income**,
2. (b) **Cover Option Two**; the **additional loan interest** charges and / or the loss of **interest on tied capital**,

which would have taken place during the **indemnity period** if the additional expenditure had not been incurred, but not exceeding the amount saved by incurring the additional expenditure.

How Much We Will Pay

For Financial Loss or any other loss or cost, **we** will not pay more than:

- I. in respect of any one loss, or series of losses arising from any one occurrence, the amount(s) stated in the **schedule** as the **sum(s) insured** for:

- (a) **Cover Option One** (advance loss of rent), and/or,

- (b) **Cover Option Two** (loss of interest):

Item (i) **additional loan interest** and/or increased cost of working
and/or

Item (ii) **interest on tied capital** and/or increased cost of working.

If at the time of the physical loss or damage the **sum insured** on each or either Item is less than the annual equivalent of:

(A) in respect of Item (i), **your** actual **additional loan interest** in respect of the **project**,

(B) in respect of Item (ii), the notional **interest on tied capital** at 2% (or such other percentage rate agreed by **us** and stated in the **schedule**) above the prevailing **interbank lending rate**,

you will be **your** own insurer for the difference and bear a proportionate share of the loss.

2. the **sum insured** together with any other stated financial limit(s) stated in the **schedule** for this Section.

Unless otherwise stated in the **schedule**, the **sum(s) insured** will be reduced by the amount of any insured claim.

Additional Cover applying only to Section 6

Section 6 is extended to include the following Additional Covers and, unless otherwise stated in the **schedule**, any **sub limits** are provided in addition to the **sum insured** and shall be reduced by the amount of any paid claim,

I. Professionals Fees

We will pay for professional accountants, legal or auditors' fees reasonably incurred for producing or verifying particulars, details, or any other information or evidence to verify details of a claim under this **Section 6**.

Provided that **we** shall not pay more than the lowest amount shown as a **sum insured** for Section 6.

Conditions applying only to Section 6

The following Conditions apply to this Section. In addition, please refer to the General Conditions which apply to all Sections of the **policy**.

1. Schedule of Contract Works

As a Condition precedent to **our** liability prior to the commencement of this insurance **you** must provide **us** with a scope of works and a plan (Gantt Chart or similar) of the anticipated scheduled completion dates of the **contract works**.

Throughout the course of the **contract works** **you** must provide **us** with updates of any changes that will alter the course of the **contract works** and the scheduled dates of completion.

2. Record Keeping

in the event of physical loss or damage occurring to **insured property** under Section 1 – **contract works/existing structures** which may reasonably be expected to result in a claim under this Section, **you** must keep a record of:

- (a) the delays, containing specific details and dates, that results from the physical loss or damage to the **contract works/existing structures** together with;
- (b) any changes to the anticipated scheduled completion dates which result from other causes affecting the planned undertaking of the **contract works** and any measures taken to mitigate such delays.

3. Occupation of the contract works and existing structures

where the **contract works/existing structures** are occupied during the course of completion of the **contract**, any income received shall be taken into account when calculating any amounts payable to **you** in respect of cover provided by this Section.

Exclusions applying only to Section 6

The following Exclusions apply to this Section. In addition, please refer to the General Exclusions which apply to all Sections of the **policy**.

This **policy** does not provide cover under this Section in respect of Financial Loss, or any other loss or costs or expenses:

1. Inevitable Damage, Cost and Financial Losses

which would have been incurred by **you** whether physical loss or damage to **contract works** or **existing structures** had occurred or not.

2. Early Completion – Expediting the Completion of the Project

incurred solely to expedite achievement of **practical completion** of the **contract works**, or any part of the **contract works**, at an earlier date than the **contract works** would have been completed on if physical loss or damage, for which cover is provided under Section 1, had not occurred.

3. Redesign, Alteration, Addition and Improvement

incurred in redesigning, altering, adding to, or improving the **project**, or rectification of defects or faults, or elimination of any deficiencies carried out after physical loss or damage has occurred, for which cover is provided under Section 1, or any financial loss or costs incurred as a result of such redesigning, alteration, addition, or improvement.

4. Insufficient Funds

resulting from any delay due to **your** inability to provide sufficient funds for the repair or replacement of the **insured property**.

5. Time Exclusion

incurred during the **time exclusion** period stated in the **schedule**.

General Additional Covers

The Additional Covers below may apply to more than one Section(s) of the **policy** and any **sub limits** are provided in addition to the **sum insured**, unless otherwise stated in the **schedule**.

Where applicable the Section(s) of the **policy** are extended to:

1. Multiple Insureds Cover

include and provide cover to **other insured parties** that are required to be a joint named insured to this **policy**.

Provided that:

- (a) Condition I, is complied with in full.
- (b) if there is more than one party, each operating as a separate and distinct entity, then (except as provided in this Multiple Insureds Clause) cover shall apply in the same manner and to the same extent as if individual policies had been issued to each party.
- (c) the **schedule** specifies that the Section cover is applicable to the insured party.

2. Pollution or Contamination

pay for the cost arising from pollution or contamination of **insured property** caused directly by an occurrence which is insured by this **policy**.

Provided that:

- (a) this Additional Cover shall not apply to Section 4 of this **policy**.
- (b) for the purposes of this Additional Cover only, General Exclusion I0 is deleted and of no further effect.

we will not pay more than the the **sub limit** stated in the **schedule** for this General Additional Cover.

General Conditions

The following Conditions apply to all Sections of the **policy**, and they are Conditions precedent to **our** liability. In addition, please refer to each Section for Conditions which apply only to that Section.

I. Multiple insured requirements

It is a Condition of this **policy** that:

- (a) if there is more than one insured party to the **policy**, each operating as a separate and distinct entity, then (except as provided for in this General Condition) cover shall apply in the same manner and to the same extent as if individual policies had been issued to each party.
- (b) for the purposes of the **sum insured** all of the parties insured under this **policy** shall be treated as one party or legal entity, so that there will be only two parties to the contract of insurance namely **us** and **you** as defined.
- (c) collectively for all insured parties, **we** will not pay more than the **sum insured**.
- (d) any payments made by **us** to any one or more insured party shall reduce, to the extent of that payment, our liability to all parties arising out of any one event resulting in a claim under this **policy**.
- (e) the insured parties shall at all times preserve any available contractual rights agreements and remedies in the event of any claim or incident likely to give rise to a claim.
- (f) **we** shall be entitled to avoid liability to or, as appropriate, claim damages from any of the insured parties in circumstances of fraud, misrepresentation, misdescription, non disclosure, or breach of any warranty or Condition, each referred to in this multiple insureds clause as a vitiating act.

It is however agreed that:

- (i) a vitiating act committed by one of the insured parties shall not prejudice the right of indemnity of any other insured party who has an insurance interest and who has not committed a vitiating act.
- (ii) **we** agree to waive all rights of subrogation which **we** may have or acquire against any insured party, except where the rights of subrogation or recourse are acquired in consequence of, or otherwise following, a vitiating act.
- (iii) any lenders to the **project** shall not be entitled to any indemnity under this **policy** in respect of which **we** are, by reason of a vitiating act, no longer liable to indemnify any one or more other insured party.

2. Your duty to prevent loss or damage

It is a Condition of **your policy** that at all times **you** shall take all reasonable steps to safeguard **your insured property** from physical loss or damage.

3. Housing Grants Construction and Regeneration Act 1996 (Adjudication scheme)

if **you** receive a Notice of Adjudication relating to any circumstances which has resulted in a claim under this **policy**, **you** must let **us** know immediately, or on the first working day after **you** receive the notice, by telephone.

A Notice of Adjudication means any notice issued by a party to the **contract** to which the Housing Grants Construction and Regeneration Act 1996 applies stating the intention to refer a dispute under the **contract** to adjudication.

General Conditions *(continued)*

The following Conditions apply to all Sections of the **policy**, and they are Conditions precedent to **our** liability. In addition, please refer to each Section for Conditions which apply only to that Section.

4. Claims Notification and Requirements & Claims Settlement

It is a condition precedent to our liability under this **policy** that in the event of any incident that gives rise to a claim, or which may give rise to a claim under this **policy**:

- (a) **you** or a representative of **yours** must:
- (i) notify **us** as soon as possible, providing full details and also notify the police in the event of an incident where **you** have reason to believe a criminal offence has been committed.
 - (ii) take all reasonable action to prevent or minimise the loss and to prevent further physical loss or damage, **we** shall not be liable for any further damage resulting from continued use until repairs have been carried out to **our** satisfaction.
 - (iii) retain any damaged property or parts.
 - (iv) when required to do so, provide a statement in writing of all details relating to the incident and any other evidence that may be required.
 - (v) notify **us** immediately if **you** receive a letter before action, claim, writ, proceedings or process relating to a claim against **you** or any **other insured party**.
 - (vi) co-operate fully with **us** and provide all assistance requested by **us** in connection with any claim.

Provided **you** comply with this Condition in full, and without prejudice to any liability that **we** may have, in the event of physical loss or damage, **you** may proceed with minor repairs to the **insured property**.

- (b) **we**:
- (i) may, at **our** discretion, repair, reinstate, replace, or pay in money for any physical loss or damage covered by this **policy**.
 - (ii) shall be entitled to take over, defend, or settle any claim in **your** name.
 - (iii) have the right to enter the **site** or any other premises where a loss has occurred to inspect or investigate any claim.
- (c) to the extent that **you** are accountable to the tax authorities for Value Added Tax all claims settlements made under this **policy** shall be exclusive of such tax.
- (d) no liability shall attach to this **policy** for any physical loss or damage not notified to **us** within 3 calendar months of the occurrence, other than in respect of cover provided under the Additional Cover for the **rectification period** which applies to Section I.
- (e) **you** must not admit liability or make any offer, promise, or payment on **our** behalf without **our** written consent.

Provided that:

- (i) no claim will be paid until **you** have complied with this Condition.
- (ii) the amount stated as the **excess** in the **schedule** will be deducted from the settlement as the amount of loss borne by **you**.

5. Payments on Account / Interim Payments

provided **we** have accepted liability for claims made under this **policy**, **you** may be entitled to receive interim payments, as agreed between **you** and **us**.

General Conditions *(continued)*

The following Conditions apply to all Sections of the **policy**, and they are Conditions precedent to **our** liability. In addition, please refer to each Section for Conditions which apply only to that Section.

6. Other Insurance

this insurance does not cover any physical loss or damage which is insured by, or would but for the existence of this **policy** be insured by, any other policy or policies, except in respect of any excess beyond the amount which would have been payable under such policy or policies had this insurance not been effected.

7. Average and Reinstatement of Sum Insured

where under any section of the **policy we** state that the **sum insured** will:

- (a) be reduced by the amount of any claim, in the event that a claim occurs:
 - (i) **average** will apply in deciding how much **we** will pay, and,
 - (ii) **you** shall pay a pro rata additional premium, calculated from the date of loss to the expiry of the **construction period** the current rate on the amount of each claim. However:
 - 1. such additional premium shall be disregarded for the purpose of any adjustment of premium made in respect of Condition 10 Premium Adjustment Clause.
 - 2. **we** will waive the additional premium, if the final cost of the claim, including all settlement fees, does not exceed £25,000.

Provided that in respect of any claim for **pollution and contamination** under Section 4, other than the **sum insured** being reduced by the amount of the claim, **we** will deal with the occurrence as if (b) (i) and (ii) below applied.

- (b) not be reduced by the amount of any claim, in the event that a claim occurs:
 - (i) **average** will not be applied in deciding how much **we** will pay, and,
 - (ii) **we** will not charge **you** an additional premium to reinstate the **sum insured or sub limit** to the amount(s) stated in the **schedule** prior to the deduction of the claim.

8. Precautions

you must exercise due diligence in:

- (a) complying with any statute or order.
- (b) ensuring that **insured property** is maintained and used in accordance with manufacturers recommendations, and in taking reasonable precautions to prevent physical loss or damage.
- (c) carrying out and allowing any action to be taken which is reasonable and practical to prevent further physical loss or damage.

9. Subrogation

Other than as allowed for by General Extension 1 and General Condition 1, **we** may otherwise at **our** own expense, use all legal means in **your** name to secure reimbursement for physical loss or damage, either before or after **we** have paid a claim, and **you** must give all reasonable assistance for that purpose.

10. Abandonment

you shall not be entitled to abandon any **insured property** to **us**.

General Conditions *(continued)*

The following Conditions apply to all Sections of the **policy**, and they are Conditions precedent to **our** liability. In addition, please refer to each Section for Conditions which apply only to that Section.

11. Premium Adjustment Clause

the premium paid for this insurance, noted in the **schedule** is a provisional/minimum and has been calculated based on estimates given by **you**.

You shall keep accurate records containing all relevant particulars and shall make these available to **us** at any reasonable time. In providing the final **contract** value to **us you** must include:

- (a) the value of any materials and equipment used in the **contract**.
- (b) professional fees incurred in the design and construction of the **contract**.
- (c) irrecoverable Value Added Tax.
- (d) **free issue materials** and direct purchases.

If any of the insured values increase beyond those stated in the **schedule** then **you** must advise **us** so that the appropriate additional premium due can be calculated.

12. Dual Lifting Operations

for the insurance provided by this **policy** to remain in force during any operation in which a load is shared between any items of lifting plant or lifting equipment, whether insured under this **policy** or not, the lifting operation must be conducted in accordance with the British Standard for the Safe Use of Cranes - BS7121 or as amended from time to time.

13. Application of Heat – hot work permits, use of blow lamps and bitumin

the following precautions must be taken when open heat sources or naked flames are used:

- (a) hot work permit regime shall be in place and in use, including the use and completion of hot work permits jointly completed by the person responsible for the work and **you, your** safety officer or nominated person.
- (b) when using blow lamps, blow torches, welding and cutting equipment:
 - (i) the area in which they are to be used is first cleared of loose combustible materials and any fixed combustible material should be protected with fireproof blankets or other similar equipment,
 - (ii) a suitable fire extinguisher of 3kg or equivalent capacity is kept available for immediate use,
 - (iii) blow lamps and blow torches are lit for as short a time as possible before use and extinguished immediately after use,
 - (iv) lit blow lamps or blow torches are never left unattended,
 - (v) blow lamps / torches are filled only in the open.
- (c) vessels for the heating of bitumen or bituminous compounds:
 - (i) vessels must be continuously attended whilst heating is taking place,
 - (ii) vessels must be used in the open whilst heating is taking place,
 - (iii) If vessels are to be sited on roofs or combustible floors a sheet of metal or incombustible material of not less than 10 feet square must be placed under the vessel before heating takes place,
 - (iv) a suitable fire extinguisher of 10 litres or equivalent capacity, or two 10 litre buckets full of sand must be kept available for immediate use.

The area in which such equipment has been used must be thoroughly examined one hour after the end of each period of work to ensure that there are no signs of fire.

General Conditions *(continued)*

The following Conditions apply to all Sections of the **policy**, and they are Conditions precedent to **our** liability. In addition, please refer to each Section for Conditions which apply only to that Section.

14. Plumbing Checking Requirement

all plumbing and connected pipe work must be pressure tested at the moment of first introduction of water and checked for 2 consecutive hours after the first introduction of water to ensure that there are no leaks.

15. Existing Structure – requirements for unattended premises

when **existing structures** are unoccupied during the **contract works** and left unattended overnight:

- (a) the gas, water, and electricity must be turned off at the mains unless left on for the purpose of either frost protection or for the powering of a security systems or fire protection systems.
- (b) all doors, windows, and other access points must be secured and any alarm protection available must be activated.
- (c) the **site** of the **contract works** must be thoroughly inspected by **you**, or **your** representative, at least once per week. Any work necessary to maintain the security arrangements or to rectify defects must be carried out as soon as possible without unreasonable delay.

16. Home Survey Report and Pre-existing Defects

we will require to be supplied with a home survey report on any **existing structure** insured under this **policy** prior to the commencement of the **period of insurance**.

Where such a report is not available or not provided to **us** prior to the commencement of the **period of insurance**, in the event of physical loss of or damage to the **existing structure** the onus of proof will be upon **you** to prove that the physical loss or damage was not caused by, or did not result from, a pre-existing defect.

17. 72 Hour Clause

where physical loss or damage occurs to the **insured property** on **site** during any one period of 72 consecutive hours caused by storm, tempest, flood or earthquake, it shall be deemed to be a single event and therefore constitute one loss with regard to this **policy**, its terms Conditions and Exclusions, and the application of the **excess** as detailed in Exclusion I.

The commencement of any such 72 hour period shall be decided at the discretion of the **insurer**.

18. Underground Services

in respect of physical loss or damage to pipes cables mains or other underground services arising out of or caused by digging drilling boring excavation or earth moving operations that:

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

General Exclusions

The following Exclusions apply to all Sections of the **policy**. In addition, please refer to each Section for further Exclusions applying to that Section.

We will not pay for:

1. Excess

the amounts stated in the **schedule** as the **excess**, provided that under:

Sections 1, 2 and 3 of the policy

- (a) except as detailed under (c) below, all claims for physical loss or damage arising from one identifiable source or original cause shall be adjusted as one claim and from the amount of such adjusted claim there shall be deducted the sum stated in the **schedule** as the **excess**.
- (b) in the event of any one occurrence of physical loss or damage affecting the property of more than one insured party, the **excess** deducted from the claim settlement shall be apportioned between the interested parties in the same proportion as their individual losses bear to the total amount of the loss.
- (c) all physical loss or damage occurring within 72 consecutive hours and caused by storm tempest and flood is deemed to be one event and therefore to constitute one occurrence for the purpose of determining the number of **excesses** applicable under this **policy**. The commencement of any such 72 hour period shall be decided at **our** discretion.

Section 4 of the policy

- (a) all claims from any claimant or any number of claimants arising from one identifiable source or original cause shall be adjusted as one claim and from the amount of such adjusted claim there shall be deducted the sum stated in the **schedule** as the **excess**.
- (b) in the event of any one occurrence causing liability to attach to more than one insured party the **excess** deducted from the claim settlement shall be apportioned between the interested parties in the same proportion that their individual liabilities bear to the total amount of the claim.

In the event of physical loss or damage or liability occurring whereby more than one **excess** under this **policy** applies, the total **excess** for any one occurrence shall not exceed in all the highest applicable **excess**.

2. Dishonesty

loss destruction or damage and any financial loss caused by theft, infidelity, dishonesty, embezzlement, fraud or fraudulent misappropriation by **you**.

3. Intentional Acts

loss destruction damage financial loss or other expense liability legal liability claim or proceedings arising out of:

- (a) any intentional act or wilful omission by **you**, other than an act or omission the purpose of which is an exceptional measure to prevent **injury** or loss or damage, which, having regard to the nature and circumstances of the act or omission, could reasonably be expected to cause, contribute to or make worse any physical loss or damage;
- (b) intentional overloading, testing or experiments involving the imposition of any abnormal conditions.

General Exclusions *(continued)*

The following Exclusions apply to all Sections of the **policy**. In addition, please refer to each Section for further Exclusions applying to that Section.

We will not pay for:

4. Wear and Tear

loss destruction damage financial loss or other expense liability legal liability claim or proceedings caused directly by or arising out of:

- (a) wear and tear gradual deterioration or rust,
- (b) gradually developing defects,
- (c) scratching or chipping of painted or polished surfaces,
- (d) erosion or corrosion,
- (e) tree roots,

but this shall not exclude resultant loss destruction or damage which is not specifically excluded elsewhere in this **policy**.

5. Application of Tools

Loss destruction damage financial loss or other expense liability legal liability claim or proceedings caused directly by or arising out of the direct application of any tool or process during the course of repair, maintenance, inspection, modification, or overhaul.

6. Guarantees of Performance

liquidated damages, penalties for delay or detention or in connection with guarantees of performance or efficiency.

7. War Risks

loss destruction damage financial loss or other expense liability legal liability claim or proceedings directly or indirectly caused by or arising from any consequence of war invasion acts of foreign enemies hostilities, whether war be declared or not, civil war rebellion revolution insurrection military or usurped power or confiscation or nationalisation or requisition or loss of or damage to **insured property** by or under the order of any government or public or local authority.

8. Radioactive Contamination

loss destruction damage financial loss or other expense liability legal liability claim or proceedings directly or indirectly caused by resulting from or in connection with nuclear energy or radioactivity of any kind, including but not limited to any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- (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 of any nuclear installation;
- (c) any weapon or other device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- (d) the radioactive toxic explosive or other hazardous or contaminating properties of any radioactive matter.

9. Airborne and Waterborne Craft

loss destruction damage financial loss or other expense liability legal liability claim or proceedings to or caused by:

- (a) airborne or waterborne vessels craft or similar devices;
- (b) platforms or rigs;

including any **insured property** situated on, or being loaded onto or offloaded from (a) or (b).

General Exclusions *(continued)*

The following Exclusions apply to all Sections of the **policy**. In addition, please refer to each Section for further Exclusions applying to that Section.

We will not pay for:

10. Pollution or Contamination

loss destruction damage financial loss or other expense liability legal liability claim or proceedings caused by or arising from pollution or contamination.

11. Electronic Risks Exclusion

Loss destruction damage financial loss or other expense liability legal liability claim or proceedings to or arising from:

- (a) any computer or other equipment or component or system or item which processes stores transmits retrieves or receives data, or any part thereof whether tangible or intangible including but without limitation, any information or programs or software, and whether **your** property or not, where such damage is caused by **virus or similar mechanism** or **hacking** or **denial of service attack**, or,
- (b) any consequential loss directly or indirectly caused by or arising from **virus or similar mechanism** or **hacking** or **denial of service attack**.

12. Date Recognition Related Losses

loss destruction damage financial loss or other expense liability legal liability claim or proceedings directly or indirectly caused by or connected with performance or function of any computerised or non-computerised equipment or component, whether or not owned by **you**, or production services, whether or not provided by **you**, being affected by any failure malfunction or inadequacy to:

- (a) correctly recognise register or establish any date as its true calendar date.
- (b) capture save or retain or correctly manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than its true calendar date.
- (c) capture save retain or correctly process any date as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture save retain or correctly process such data as a result of treating any date otherwise than its true calendar date.

13. Unexplained Losses

loss destruction damage financial loss or other expense liability legal liability claim or proceedings for unaccountable losses, or losses discovered on the occasion of checks or inventory compilation, unless **you** can produce reasonable proof that such losses are as a result of an identifiable incident.

14. Road Vehicles

loss destruction damage financial loss or other expense liability legal liability claim or proceedings to:

- (a) licensed cars, lorries, vans, trucks, or other road vehicles which are used in circumstances requiring insurance under any road traffic legislation other than:
 - (i) contractors plant used solely as a tool of trade,
 - (ii) as specifically provided for elsewhere within this **policy**.
- (b) quad bikes or motorcycles.

15. Money or Guarantees of Money

loss destruction damage financial loss or other expense liability legal liability claim or proceedings for cash notes, postal orders, or money orders, cheques, stamps, or other securities for money.

General Exclusions *(continued)*

The following Exclusions apply to all Sections of the **policy**. In addition, please refer to each Section for further Exclusions applying to that Section.

We will not pay for:

16. Cessation of Works

loss destruction damage financial loss or other expense liability legal liability claim or proceedings where work ceases on the **site** of the **contract** for a continuous period exceeding 60 days, unless expressly agreed by **us** in writing.

17. Loss or damage Underground Or Underwater

loss destruction damage financial loss or other expense liability legal liability claim or proceedings for abandonment or recovery costs in respect of any item of **insured property** underground or underwater.

18. Non Standard Construction Operations

Unless shown otherwise by **endorsement** in the **schedule**, **we** do not cover physical loss of or damage to **insured property** that is not of **standard construction**.

19. Open Trench Work

we do not cover physical loss or damage resulting from **contract works** being undertaken at an open trench depth of 5 metres (16 feet 4.85 inches) or greater below the normal ground level surrounding the **site**.

20. Piling Foundation and Retaining Wall Works

we do not cover cost incurred in respect of:

- (a) replacing or rectifying piles or retaining wall elements which:
 - (i) have become misplaced, misaligned or jammed during their construction,
 - (ii) are lost or abandoned or damaged during driving or extraction, or,
 - (iii) have become obstructed by jammed or damaged piling equipment or casings;
- (b) rectifying disconnected or declutched sheet piles.
- (c) rectifying any leakage or infiltration of material of any kind.
- (d) filling voids or for replacing lost bentonite.
- (e) any piles or foundation elements having failed to pass a load bearing test or otherwise not having reached their designed load bearing capacity.
- (f) reinstating profiles or dimensions.

This Exclusion shall not apply to physical loss or damage caused by bush fire, forest fire, **subsidence**, **landslip**, water, flood, inundation, cyclone, typhoon, hurricane, tsunami, earthquake, or volcanic eruption. The burden of proof that such physical loss or damage is covered under this **policy** shall be upon **you**.

21. Testing and Commissioning – Second Hand Plant

we do not cover destruction of or damage to **insured property** which is not new and unused caused by the item(s) own breakdown or explosion directly resulting from the operations as defined and undertaken during the **testing and commissioning period**.

General Exclusions *(continued)*

The following Exclusions apply to all Sections of the **policy**. In addition, please refer to each Section for further Exclusions applying to that Section.

We will not pay for:

22. Terrorism

loss destruction damage financial loss or other expense liability legal liability claim or proceedings of whatsoever nature directly or indirectly caused by, resulting from, or in connection with any Act of Terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this Exclusion an Act of Terrorism shall mean an act including, but not limited to, the use of force or violence and/or the threat thereof of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s) committed for political, religious, ideological or similar purposes, including the intention to influence any government and/or to put the public or any Section of the public in fear.

This **policy** also excludes loss damage, cost, or expense of whatsoever nature directly or indirectly caused by, resulting from, or in connection with any action taken in controlling, preventing, suppressing, or in any way relating to any Act of Terrorism.

If **we** allege that, by reason of this Exclusion, any loss, destruction, damage, cost, or expense is not covered by this insurance, the burden of proving otherwise shall be upon **you**.

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

23. Pre-existing Damage and Defects

loss destruction damage financial loss or other expense liability legal liability claim or proceedings in respect of the **existing structure** caused by, or resulting from, any defect that existed prior to the commencement of the **period of insurance**.

For the purpose of this Exclusion, the term defect shall include, but not be limited to:

- (a) infestation by insects or woodworm.
- (b) wet or dry rot.
- (c) defective floors.
- (d) defective water apparatus.

Where a home survey report has not been provided to **us** prior to the commencement of the **period of insurance**, the onus of proof will be upon **you** to prove that the loss or damage was not caused by, or did not result from, a pre-existing defect.



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