

## Contractors All Risks Insurance Policy Wording

In consideration of the premium specified in the Schedule and subject to the terms Conditions and Exclusions of this Policy HSB Engineering Insurance Limited ("the Company") agree to indemnify the Insured named in the Schedule (referred to herein as "the Insured") against loss or damage as specified in this Policy

The Contract will be subject to English Law and subject to the exclusive jurisdiction of the English courts unless the Insured is domiciled in Scotland in which event Scottish Law shall apply and the Courts of Scotland shall have exclusive jurisdiction

This Document and any Schedules Memoranda Cover Clauses or Endorsements are to be read together and form the Policy

Please read this Policy in its entirety to ensure that it satisfies all your Insurance needs

In witness whereof this Policy has been signed for and on behalf of the Company



Stephanie Watkins  
Chief Executive Officer & Managing Director



Tim James  
Company Secretary & Group Sales Manager

For and on behalf of  
HSB Engineering Insurance Limited

New London House  
6 London Street  
London  
EC3R 7LP

## DEFINITIONS

### Contract

Any Contract or undertaking of the Insured detailed in the Schedule not exceeding twelve months (excluding the maintenance period) undertaken by the Insured anywhere within the Territorial Limits where the Original Estimated Contract Price does not exceed the Sum Insured in respect of Section 1 of the Insured Property

### Contract Works

Works undertaken in performance of the Contract including Works Temporary Works and Materials (including Free Issue Materials)

### Employees Tools and Personal Effects

Employees Tools and Personal Effects for which the Insured is responsible

### Excess

The amount of a claim not payable by the Company and which shall be deducted after calculation of the amount payable under a claim and unless endorsed otherwise will apply separately in respect of individual Sections

### Free Issue Materials

Materials supplied to the Insured for incorporation into the Contract Works and for which they are responsible but which have not been included in the final valuation of the Work provided that the value of Free Issue Materials shall be included in any declaration made under the Premium Adjustment Condition of this Policy

### Hired In Plant

Mechanical electrical or manually powered implements materials containment preparation and handling equipment scaffolding staging ladders and similar equipment site huts cabins or similar contractors plant and equipment hired In by the Insured unless specifically described otherwise under Section 3 of the Schedule

Hired In Plant shall not include any Contractors Plant or equipment on a hire purchase lease agreement or that which is on free loan to the Insured

### Insured Property

Wherever the term Insured Property is used in this Policy it shall mean only that property insured by this Policy and described in the Schedule

### Limit of Indemnity

The liability of The Company in respect of any one loss or series of losses arising out of any one occurrence shall not exceed the amount specified in the Schedule as the Limit of Indemnity or Sum Insured

### Original Estimated Contract Price

The estimated or quoted value of the Contract Works prior to commencement including any other costs in connection with the Contract

### Owned Plant

Mechanical electrical or manually powered implements materials containment preparation and handling equipment scaffolding staging ladders and similar equipment site huts cabins or similar contractors plant and equipment owned by the Insured unless specifically described otherwise under Section 2 of the Schedule

### Territorial Limits

United Kingdom the Republic of Ireland the Channel Islands or the Isle of Man

### Transit

The carriage of the Insured Property to or from the site of any Contract including loading on to and unloading from the conveyance used excluding any Transit by sea or air

**COVER**

The Company will indemnify the Insured in respect of physical loss of or damage to

**SECTION 1 - CONTRACT WORKS**

Contract Works on or adjacent to the site of any Contract including whilst in Transit

**SECTION 2 - OWNED PLANT**

Owned Plant anywhere within the Territorial Limits and whilst in Transit

**SECTION 3 - HIRED IN PLANT**

Hired In Plant against their legal liability under the terms of the hiring agreement to pay

- (a) for physical loss of or damage to the Hired In Plant
  - (b) continuing hiring charges for the Hired In Plant following physical loss or damage insured under (a)
- whilst anywhere within the Territorial Limits and whilst in Transit

The Company will where legal proceedings have been defended with its written consent pay all legal expenses for which the Insured may be liable

**SECTION 4 - EMPLOYEES TOOLS AND PERSONAL EFFECTS**

Employees Tools and Personal Effects whilst on or adjacent to the site of any Contract

**ADDITIONAL COVER****ADDITIONAL COVER APPLYING TO ALL SECTIONS****Debris Removal**

1. In respect of each claim for loss or damage for which liability is accepted the cover provided by this Policy extends to include costs incurred in the removal of debris and protection of the Insured Property following indemnifiable damage not exceeding £25,000 or 20% of the indemnifiable loss or damage whichever is the lower

**Loss Avoidance Measures**

2. Subject to the Limit(s) of Indemnity the Company will pay reasonable costs incurred in taking exceptional measures to prevent or mitigate impending loss or damage for which indemnity is provided by this Policy  
Provided that
  - (a) loss or damage would reasonably be expected if such measures were not implemented
  - (b) the Company are satisfied that loss or damage has been avoided or mitigated by means of the exceptional measures
  - (c) the amount payable will be limited to the cost of loss or damage which would have otherwise occurred
  - (d) the terms Conditions and Exclusions of this Policy apply as if loss or damage had occurred

**Automatic Reinstatement**

3. Sums Insured or Limits of Indemnity will be reinstated from the date of occurrence of any claim subject to an additional premium

The Company will waive the additional premium if the cost of the claim does not exceed £25,000

**Expediting Costs**

4. The Company will pay costs necessarily and reasonably incurred in making temporary repairs upon and / or expediting the repair reinstatement or replacement of Insured Property as a result of indemnifiable loss or damage provided that the liability of the Company shall not exceed 50% of the cost of such loss or damage or £50,000 whichever is the lower

**Repair Costs Investigation**

5. With their prior written agreement the Company will pay costs relating to repair investigations and tests following indemnifiable damage to Insured Property by consulting engineers not exceeding £25,000 in any one Period of Insurance

The Company shall not be liable under this Additional Cover for fees incurred in preparing a claim under this Policy

**ADDITIONAL COVER APPLYING TO SECTION 1****Additional Interests**

1. The interest of any Employer Principal Contractor or Sub Contractor but only to the extent to which that interest is required to be insured by the terms of the Contract

**Plans and Documents**

2. Clerical costs necessarily incurred in re-writing or reproducing plans drawings or other Contract documents damaged within the Territorial Limits provided that the liability of the Company shall not exceed £25,000 in respect of any one occurrence of physical loss or damage

**Maintenance**

3. Physical loss of or damage to the permanent works occurring
  - (a) during the maintenance period or defects liability period not exceeding 12 months in duration specified in the conditions of the Contract arising from a cause occurring whilst in transit or at the site prior to the commencement of the defects liability period but after the inception date of the Policy
  - (b) by a cause occurring within 14 days after the issue of a certificate of completion or for which the Contractor is responsible under the conditions of contract

- (c) by the Contractor during the course of any operations carried out by it for the purpose of complying with its obligations under the provisions of the contract in respect of any defects liability period

#### Show Houses and Contents

#### 4. Physical loss of or damage to

- (a) show houses
- (b) contents of show houses subject to a limit of £50,000 any one show house

#### Dismantling or Demolition

#### 5. In substitution for Additional Cover (Debris Removal) the costs and expenses necessarily incurred in respect of

- (a) removal of debris
- (b) dismantling or demolition
- (c) shoring or propping up
- (d) clearance of drains and sewers
- (e) dewatering

resulting from physical loss of or damage to Section 1 of the Insured Property and for which there is liability under this Policy

Cover also extends to include 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 the liability of the Company in respect of this Additional Cover shall not exceed 10% of the Estimated Original Contract Price

#### Off Site Storage

#### 6. In respect of Section 1 the Company will indemnify the Insured for materials and goods which are the property of the Insured or for which the Insured is responsible which are specifically allocated for inclusion within the Contract whilst temporarily stored away from site provided the liability of the Company in respect of this additional cover shall not exceed

- (a) £50,000 for any physical loss or damage at the premises of the Insured
- (b) £100,000 for any physical loss or damage at other premises within the Territorial Limits

In respect of this additional cover cover for physical loss or damage by theft or attempt thereat shall be restricted to physical loss or damage following forcible or violent entry or exit

Where any manufacturing processes are applied to the materials and goods at the storage premises cover commences from completion of the manufacturing processes

#### Architects Surveyors and Consulting Engineers Fees

#### 7. Architects Surveyors Consulting Engineers and other professional fees necessarily incurred in the reinstatement of Section 1 of the Insured Property consequent upon its destruction or damage but not incurred for the preparation of a claim

#### Local Authorities Clause

#### 8. The additional cost of reinstatement of Section 1 of the Insured Property which has been lost or damaged as may be incurred solely by reason of necessity 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 but excluding

- (a) costs incurred in complying with any of the said Regulations or Bye-Laws
  - (i) in respect of damage occurring prior to the granting of this extension under which notice has been served on the Insured prior to the occurrence of the physical loss or damage
  - (ii) in respect of undamaged property or portions of undamaged property other than foundations
- (b) the amount of any tax rate duty development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the said Regulations or Bye-Laws

The work of reinstatement must be commenced and carried out with reasonable despatch and may be carried out wholly or partially upon another site subject to the liability of the Company under this Additional Cover not being thereby increased

#### Completed Pending Sale - Private Dwelling Houses

9. Physical damage to private dwelling houses constructed as part of the Contract for one hundred and eighty days from completion of the individual house or until the date of sale whichever occurs first

#### Contract Conditions

10. If required by the terms and conditions of the Contract (subject to any Exclusions) cover is extended to include the period of 14 days following the issue of a certificate of completion

This extension does not cover any loss or damage caused by or arising out of the use or occupation by the employer purchaser or principal nor their agents servants or any other contractors (not being employed by the Insured) of the part of the Insured Property under Section 1

#### ADDITIONAL COVER APPLYING TO SECTIONS 2 AND 3

##### Immobilised Plant

1. Costs necessarily incurred in the recovery of unintentionally immobilised plant or equipment (other than plant or equipment working underground or underwater) provided that recovery is not necessitated by or in consequence of
  - (a) its own electrical or mechanical breakdown derangement failure or explosion
  - (b) failure to maintain Insured Property in accordance with manufacturers recommendationssubject to a limit of
  - (i) £25,000 in respect of any loss or series of losses arising from a single occurrence or
  - (ii) the sum which would have been payable had the costs not been incurred

Provided that the Company shall not be liable for loss or damage caused by the process of recovery

##### Contents Of Site Huts

2. Contents of site huts subject to a maximum of £5,000 excluding
  - (a) computers and peripheral equipment
  - (b) items excluded elsewhere in this Policy

## LIMITS OF LIABILITY

The total amount payable by the Company in respect of any claim irrespective of the number of parties insured by the Policy shall not exceed in whole the total Sum Insured or in respect of any item of Insured Property its Sum Insured or any other stated limit

For the purpose of the Sum Insured / Limit of Liability or Indemnity 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 the Company and the Insured both as defined herein

The Liability of the Company in respect of any one loss or series of losses arising from any one occurrence under

### Section 1

shall not exceed 115% of the Original Estimated Contract Price or Maximum Contract Price stated as the Sum Insured in the Schedule including the value of Free Issue Materials plus any amount payable under Additional Cover (Dismantling or Demolition)

### Section 2

shall be limited to the market value at the time of the loss of the item(s) concerned and in aggregate the Sum Insured stated in the Schedule

Subject to a maximum of the Sum Insured shown in the Schedule the amount payable for physical loss or damage in respect of Owned Plant one year old or less at the time of the loss shall be

- (a) where Insured Property is lost or damaged to the extent that repair is uneconomic or impractical its replacement by new property of equal performance or capacity or if impossible its replacement by property having the nearest higher performance or capacity to the Insured Property lost or damaged
- (b) where the Insured Property is damaged the repair of the damage and the restoration of the damaged portion of the Insured Property to a condition substantially the same as but not better or more extensive than its condition when new

Provided that

- (i) the liability of the Company for loss or damage shall not exceed the Sum Insured or Limit of Indemnity stated in the Schedule
- (ii) repair or replacement must be commenced and carried out expeditiously and in any event completed within six months after the loss or damage or within any further time as the Company may allow
- (iii) no payment beyond the amount which would have been payable if this basis of settlement had not been incorporated shall be made until the cost of repair or replacement has been incurred
- (iv) no payment beyond the amount which would have been payable if this basis of settlement had not been incorporated shall be made if at the time of any loss or damage to the Insured Property it shall be covered by any other insurance held by or on behalf of the Insured which differs in basis of settlement from this insurance
- (v) where any Insured Property has an individual Sum Insured set against it in the Schedule it is separately subject to the following condition  

If at the time of repair or replacement the sum representing eighty five percent of the cost which would have been incurred in repair or replacement in the event there had been a total loss exceeds the Sum Insured at the time of any loss or damage the Insured shall be considered his own insurer for the difference and bear a rateable proportion of the loss or damage accordingly
- (vi) where by reason of the above provisions no payment is made beyond the amount which would have been payable if this basis of settlement had not been incorporated the rights and liability of the Company and the Insured in respect of loss or damage shall be subject to the terms Conditions and Exclusions of this Policy as if this condition had not been incorporated

### Section 3

shall be limited to the Sum Insured

### Section 4

shall be limited to the Sum Insured and the limit any one employee

**CONDITIONS****CONDITIONS APPLYING TO ALL SECTIONS****Premium Adjustment Clause**

1. The deposit premium paid for this insurance is provisional and has been calculated on estimates given by the Insured

The Insured shall keep accurate records containing all relevant particulars and shall make these available to the Company at any reasonable time

The Insured shall also within reasonable time following the expiry of each Period of Insurance supply to the Company all relevant information to enable the correct premium to be calculated and the relevant difference be charged or allowed subject to a minimum retention by the Company of 75% of the Deposit Premium

**Multiple Lifting Operations**

2. For the insurance provided under this Policy to be operative 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 BS7121

**Application of Heat**

3. It is a Condition of this insurance that the following precautions should be taken when open heat sources or naked flames are used

- (a) 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 asbestos blankets or other similar equipment
- (ii) A suitable fire extinguisher of 7lb 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 are filled only in the open

- (b) Vessels for the Heating of Bitumen or Bituminous Compounds

- (i) Vessels are continuously attended whilst heating is taking place
- (ii) Vessels are only 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 materials of not less than 10 feet square placed under the vessel before heating takes place
- (iv) A suitable fire extinguisher of 2 gallons or equivalent capacity or two 2 gallon buckets full of sand are kept available for immediate use

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

**Liability**

4. (a) No liability shall attach to this Policy for any physical loss or damage not notified to the Company within 3 calendar months of the occurrence
- (b) No liability shall be admitted and no offer promise or payment be made without the written consent of the Company

**Loss Reduction**

5. The Insured shall carry out and permit to be taken any action which may be reasonably practicable to prevent further loss or damage

**Misrepresentation**

6. This Policy shall be voidable in the event of misrepresentation misdescription or non disclosure of any material fact



#### Fraud

7. Presentation of any fraudulent claim or use of any fraudulent means to obtain benefit under this Policy by either the Insured or any person acting on their behalf with the knowledge of the Insured will result in the Policy being voidable

#### Claims Notification and Requirements

8. In the event of any occurrence giving rise or likely to give rise to a claim the Insured or his representative shall
- (a) as soon as practicable notify the Company giving full particulars and information and notify the Police in the event of loss where the Insured has reason to believe a criminal offence has been committed
  - (b) take all reasonable action to prevent or minimise the loss and prevent further loss or damage  
The Company shall not be liable for any further damage resulting from the continued use of the Insured Property until repaired to the satisfaction of the Company
  - (c) retain any damaged property or parts
  - (d) when required to do so but in any event no later than 30 days after the expiry of any Indemnity Period deliver to the Company a statement in writing of all particulars and details relating to the incident and other evidence as may be required
  - (e) notify the Company within 7 days of an incident in respect of loss or damage resulting from riot strike lock-out or civil commotion

No claim shall be paid until the Insured has complied with this Condition

#### Claims Settlement

9. (a) The Company may at its option repair reinstate replace or pay in money for any loss or damage covered by this Policy  
The amount stated as the Excess or the loss sustained by the Insured during any Time Exclusion shown in a relevant Schedule will be deducted from the settlement and borne by the Insured
- (b) Without prejudice to liability the Insured may proceed with minor repairs subject to compliance with the Condition (Claims Notification and Requirements)
  - (c) The Company shall be entitled to take over defend or settle any claim in the name of the Insured
  - (d) to the extent that the Insured is accountable to the tax authorities for Value Added Tax all claims settlements shall be exclusive of such tax

#### Payments on Account

10. Notwithstanding the Condition (Claims Notification and Requirements) where liability is accepted the Insured shall be entitled to receive interim payments as agreed between the Insured and the Company

#### Other Insurance

11. This insurance does not cover any 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

#### Average

12. If any item of Insured Property has an individual Sum Insured set against it and at the time of any loss or damage to the item its value exceeds that Sum Insured then the Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss or damage accordingly

#### Precautions

13. The Insured shall 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 loss or damage

#### Access

14. The Company or its representatives shall have the right of access to the Insured Property at reasonable times

#### Alterations in Risk

15. The insurance under this Policy may be avoided if

- (a) (i) the Insured becomes the subject of voluntary or involuntary rehabilitation proceedings or
- (ii) the Insured becomes the subject of an action in bankruptcy or
- (iii) the Insured makes or proposes any arrangement with their creditors which acknowledges their insolvency
- (b) the Insureds interest ceases other than by death
- (c) any alterations are made either in the business of the Insured or in the premises or property whereby the risk of loss or damage is increased
- (d) any loss minimising factors in existence at the commencement of the insurance are reduced discontinued or not maintained

unless its continuance be accepted by the Company and the Policy endorsed accordingly

#### Subrogation

16. The Company may at its expense use all legal means in the name of the Insured to secure reimbursement for loss or damage and the Insured shall give all reasonable assistance for that purpose

#### Suspension of Cover

17. The Company reserves the right to suspend this insurance at any time by written notice to the Insureds last known address until the Companys requirements have been fulfilled

#### Cancellation

18. The Policy may be cancelled by the Insured or by the Company at any time during the Period of Insurance

- (a) If the Insured cancels
  - (i) the cancellation shall be effective from the date that the Company receives notification of the Insureds intention to cancel
  - (ii) provided that the Insured has not received a claim payment and that there have been no incidents which may give rise to a claim under this Policy during the Period of Insurance
    - (A) the Insured shall be entitled to a return of the Premium for the unexpired Period of Insurance subject to a minimum time on risk of at least £150.00 + IPT + original policy fee from all premiums charged to date.
    - (B) if the Insured wishes to cancel this Policy within 14 days of commencement of cover the Insured shall be entitled to the full return of any premium that has been paid
  - (iii) in the event that the Insured has received any claim payments during the Period of Insurance the Insured shall not be entitled to a return premium and if the premium has not been paid in full the Company shall be entitled to the premium due for the unexpired Period of Insurance
- (b) If the Company cancels the Company may cancel this Policy by written notice to the Insureds last known address giving 14 days notice from the date that the notice is received by the post office and provided the premium has been paid in full the Insured shall be entitled to a return premium for the unexpired Period of Insurance
- (c) If the Company cancels due to non payment of premium due
  - (i) the Company may cancel this Policy by written notice to the Insureds last known address giving 7 days notice from the date that the notice is received by the post office
  - (ii) the cancellation shall be effective from the beginning of the Period of Insurance
  - (iii) if any claims have been paid the Company shall be entitled to the full premium due in respect of the Period of Insurance

#### Arbitration

19. If any difference arises as to the amount to be paid under this Policy (liability having been accepted) the difference shall be referred to an arbitrator to be appointed by both parties in accordance with the statutory provisions applicable

The making of an award against the Company shall be a condition precedent to any right of action against it

#### Abandonment

20. The Insured shall not be entitled to abandon any Insured Property to the Company whether or not taken possession of by it

#### Observance

21. The observance and fulfilment of the terms and Conditions of this Policy or Endorsements shall be conditions precedent to liability

### CONDITIONS APPLYING TO SECTION 1

#### Insured Contracts

1. The insurance provided under Section 1 of Cover applies during the Period of Insurance to any Contract that is current at the beginning of the Period of Insurance and any Contract that is undertaken during the Period of Insurance

The Liability of the Company shall cease at the end of the Period of Insurance unless specifically allowed for elsewhere within this Policy or upon cancellation of the insurance at any time during the Period of Insurance

#### Housing Grants Construction and Regeneration Act 1996 (Adjudication scheme)

2. The Insured shall upon the receipt of a Notice of Adjudication relating to any circumstances which has given rise to a claim under this Policy provide immediate notice (or on the first working day thereafter) thereof by telephone to the Company

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

### CONDITIONS APPLYING TO SECTION 2

#### Hiring Conditions

1. Whenever Owned Plant is let out on hire the hire shall be subject to
- (a) written conditions which make the hirer responsible for physical loss or damage or
  - (b) specific conditions agreed by the Company in writing and endorsed hereon

### CONDITIONS APPLYING TO SECTIONS 2 3 AND 4

#### Losses From Vehicles Limitation

1. The liability of the Company in respect of losses of machine attachments power tools hand tools and manually powered implements from vehicles shall not exceed £5,000 in aggregate across Sections 2 3 and 4 of this Policy prior to the application of the Excess in respect of any one loss or series of losses arising from one event involving theft or malicious damage

### CONDITIONS APPLYING TO SECTION 3

#### Hiring Conditions

1. The insurance provided by this Section will indemnify the Insured to the extent required by
- (a) the Model Conditions for the Hiring of Plant recommended by the Construction Plant-hire Association or the Scottish Plant Owners Association or conditions not more onerous or
  - (b) specific conditions agreed by the Company in writing and endorsed hereon

In the event of a loss involving hire conditions more onerous than those covered by this Policy the indemnity provided will be limited to liability under (a) or (b) above as applicable

Any Hired In Plant which is re-hired must be hired out under conditions no less onerous than those of the original hire to the Insured

## EXCLUSIONS

### EXCLUSIONS APPLYING TO ALL SECTIONS

The Company shall not be liable for

#### Indirect Losses

1. (a) liquidated damages
- (b) penalties under contract for guarantees of performance or efficiency delay detention or non-completion
- (c) consequential loss or damage of any kind or description unless specifically provided for elsewhere within this Policy

#### Unexplained Losses

2. unaccountable losses or losses discovered on the occasion of checks or inventories unless the Insured can produce reasonable proof that such losses are as a result of an identifiable incident

#### Road Vehicles

3. loss of or damage 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

#### Money or Guarantees of Money

4. cash notes postal orders or money orders cheques stamps or other securities for money

#### Breakdown

5. loss of or damage to any Insured Property from its own explosion mechanical or electrical failure or breakdown other than where the Insured is responsible for such loss under the terms of a hiring agreement

#### Cessation of Works

6. physical loss or damage where work ceases on the site of the Contract for a continuous period exceeding 30 days unless expressly agreed by the Company in writing

#### Loss Or Damage Underground Or Underwater

7. loss or damage nor abandonment or recovery costs in respect of any item of Insured Property underground or underwater

#### Intentional Acts

8. loss or damage caused by or arising out of
  - (a) any intentional act or wilful omission of the Insured (other than an act or omission the purpose of which is an exceptional measure to prevent injury 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 exacerbate any loss or damage
  - (b) (i) intentional overloading
  - (ii) testing or experiments involving the imposition of any abnormal conditions

#### Wear and Tear

9. loss or damage caused directly by
  - (a) wear and tear gradual deterioration or rust
  - (b) gradually developing defects
  - (c) scratching or chipping of painted or polished surfaces
  - (d) erosion or corrosionbut this shall not exclude resultant loss or damage not otherwise excluded

#### Application of Tools

10. loss or damage caused by or arising out of the direct application of any tool or process during the course of repair maintenance inspection modification or overhaul

#### War Risks

11. any loss or damage directly or indirectly caused by or in 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 destruction of or damage to Insured Property by or under the order of any government or public or local authority

#### Terrorist Acts

12. (a) any consequence of civil commotion assuming the proportion of or amounting to a popular rising martial law or the act of any lawfully constituted authority
- (b) loss or damage caused by or happening through or in consequence directly or indirectly of TERRORISM
- (c) loss or damage 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
- (d) loss or damage in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of riot strike civil commotion locked out workers or persons taking part in labour disturbances

For the purposes of this Policy TERRORISM shall mean any act of any person or group of persons acting alone or on behalf of or in connection with any organisation or government with activities directed towards the overthrowing or influencing of any government force or violence and / or putting the public or any section of the public in fear

In any action suit or other proceedings where the Company allege that by reason of this Definition any loss or damage is not covered by this Policy (or is covered only up to a specified Limit of Indemnity) the burden of proving that such loss or damage is covered (or is covered beyond that Limit of Indemnity) shall be upon the Insured

#### Nuclear Risks

13. loss destruction or damage to Insured Property or expense or consequential loss nor any legal liability caused by or arising from
- (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component

#### Sonic Bang

14. loss or damage directly caused by the pressure waves of aircraft or other aerial devices travelling at sonic or supersonic speeds

#### Airborne and Waterborne Craft

15. loss of or damage to airborne or waterborne vessels craft platforms or rigs or any Insured Property situated thereon or being loaded onto or offloaded therefrom

#### Electronic Risks Exclusion

16. (a) loss or damage to 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 the property of the Insured or not where such damage is caused by Virus or Similar Mechanism or Hacking or Denial of Service Attack
- (b) consequential loss directly or indirectly caused by or arising from Virus or Similar Mechanism or Hacking or Denial of Service Attack

Virus or Similar Mechanism shall mean 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

The definition of Virus or Similar Mechanism includes but is not limited to Trojan horses worms and logic bombs

Hacking shall mean unauthorised access to any computer or other equipment or component or system or item which processes stores transmits retrieves or receives data whether it be the property of the Insured or not

Denial of Service Attack shall mean 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

Denial of Service Attacks include but are not limited to the generation of excess traffic into network addresses the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks

#### Pollution or Contamination

##### 17. loss or damage caused by or arising from pollution or contamination

This exclusion shall not apply to cost arising from pollution or contamination of Insured Property caused directly by an occurrence which is insured by this Policy provided that the liability of the Company shall be limited to a maximum of £50,000 in respect of pollution or contamination

#### Excess

##### 18. the amount(s) specified as the Excess(es) as detailed in Schedules attaching to this Policy

#### Date Recognition Related Losses

##### 19. loss damage expense or liability 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 the Insured) or production services (whether or not provided by the Insured) 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 processes 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

This Policy does not insure the expense of any advice consultation design evaluation inspection installation maintenance repair replacement or supervision done by or for the Insured to determine rectify or test any potential or actual failure or inadequacy described above including the expense of carrying out The Year 2000 Project Process in accordance with the British Standard Institute PD 2000-2: Managing Year 2000 Conformity or other similar internationally recognised process whether or not agreed in writing by the Company

However this Policy does not exclude ensuing loss damage expense or liability arising from critical applications as identified by carrying out The Year 2000 Project Process in accordance with the British Standard Institute PD 2000-2: Managing Year 2000 Conformity or other similar internationally recognised process agreed in writing by the Company provided such loss damage expense or liability is not otherwise excluded and provided such loss or damage is to property owned by the Insured and not otherwise excluded above

It is a Condition precedent to any Liability under this Policy that the Insured has carried out The Year 2000 Project Process in accordance with the British Standard Institute PD 2000-2: Managing Year 2000 Conformity or other similar internationally recognised process agreed in writing by the Company

#### EXCLUSIONS APPLYING TO SECTION 1

The Company shall not be liable for

##### Completed Pending Sale

1. physical loss of or damage to any part of Section 1 of the Insured Property after completion pending sale or lease except as provided for under any relevant Additional Cover applying to Section 1

##### Completed Taken Into Use

2. physical loss of or damage to any part of Section 1 of the Insured Property after such property has been completed handed over taken into use or for which a Certificate of Completion has been issued other than as provided for under any relevant Additional Cover applying to Section 1

#### Existing Structures

3. physical loss of or damage to any property or part of any property which has formed part of any structure prior to commencement of the Contract

#### Defective Property

4. physical loss of or damage to and the costs necessary to replace repair or rectify Insured Property
  - (a) which is in a defective condition due to a defect in design plan specification materials or workmanship of such Insured Property or any part thereof
  - (b) which is necessary to enable the replacement repair or rectification of Insured Property excluded by 4(a) above

Exclusion 4(a) shall not apply to other Insured Property which is free of the defective condition and is damaged as a consequence thereof

For the purpose of the Policy and not merely this Exclusion the Insured Property shall not be regarded as 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 thereof

#### Refractory Linings

5. loss of or damage to refractory linings from the first application of heat

#### Non-Ferrous Metals

6. loss resulting from theft in respect of unfixed non-ferrous metals of any description unless at the time of theft either
  - (a) an authorised employee of the Insured is actually on the site or
  - (b) such property is contained in a securely closed and locked hut or building

#### EXCLUSIONS APPLYING TO SECTIONS 2 AND 3

The Company shall not be liable for

##### Excluded Parts

1. loss of or damage to
  - (a) brickwork masonry foundations and supporting structures
  - (b) 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 loss or damage for which liability has been accepted by the Company under this Policy
  - (c) underground or buried piping
  - (d) safety or protective devices due to their functioning

#### EXCLUSIONS APPLYING TO SECTION 4

The Company shall not be liable for

##### Articles of Jewellery

1. loss of or damage to gold or silver articles jewellery or watches

## How to Notify Us of Claims

Claims should be notified promptly to your broker or

Commercial Express Quotes Limited  
B1 Custom House, The Waterfront  
Level Street  
Brierley Hill  
DY5 1XH

Telephone 0845 094 2077  
Fax 0845 094 2078

Alternatively, claims may be notified directly to:

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

Telephone +44 (0)161 817 2114  
Fax +44 (0)161 621 5507

## Customer Service & Complaints Procedure

Commercial Express Quotes Limited and HSB Engineering Insurance Limited are dedicated to providing you with a high quality service and want to ensure that this is maintained at all times. If you feel that this has not been provided, then please write and tell us and we will do our best to resolve the problem.

If you have any questions or concerns about your policy or the handling of a claim you should, in the first instance, contact your broker who is your agent in this regard.

If you would like to comment directly upon the service Commercial Express Quotes Limited is providing, please write to:

Commercial Express Quotes Limited  
B1 Custom House, The Waterfront  
Level Street  
Brierley Hill  
DY5 1XH

However if you would like to comment directly upon the service that HSB Engineering Insurance Limited is providing, please write to:

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

Telephone: +44 (0)161 621 5555  
Fax: +44 (0)161 621 5500  
Or e-mail them at [complaints@hsbeil.com](mailto:complaints@hsbeil.com)

In either case, we shall aim to acknowledge your complaint within 5 business days and do our best to resolve it within four weeks. If the matter remains unresolved at the end of eight weeks, or you are unhappy with our response, you may, if you are a small business, have recourse to the Financial Ombudsman Service, or other dispute resolution service.

Your right to take legal proceedings is not affected by this complaints procedure.