

SECTION GCA – CONTRACTORS ALL RISKS

SUB-SECTION 1 – CONTRACT WORKS

In the event of **Damage** to the **Property Insured** whilst situated anywhere within the **Territorial Limits** and occurring during the Period of Insurance the **Insurers** will pay to the **Insured** the value of the **Property** at the time of **Damage** or at the **Insurers'** option reinstate or replace such **Property** or any part of it

Provided that the liability of the **Insurers** under this Section shall not exceed

- (1) in respect of any item its sum insured or any other limit of liability stated in the Schedule at the time of the **Damage**
- (2) the sum insured (or limit) remaining after deduction for any other **Damage** occurring during the same Period of Insurance, unless the **Insurers** shall have agreed to reinstate any such sum insured (or limit)

SUB-SECTION 1 – EXCLUSIONS

This Section does not cover

- (1) **Damage** to any **Property**
 - (a) forming or which has formed part of any existing structure prior to the commencement of the contract
 - (b) due to the use or occupancy other than as dwellings or offices of any portion of the permanent works by any owner tenant or occupier unless specifically agreed by the **Insurers**
- (2) **Damage** caused by its own
 - (a) explosion mechanical electrical breakdown failure breakage or derangement
 - (b) faulty or defective design plan specification materials or faulty or defective workmanship
- (3) **Damage** caused by
 - (a) corrosion rust wet or dry rot wear and tear shrinkage evaporation loss of weight dampness dryness marring scratching vermin or insects
 - (b) acts of fraud or dishonesty
 - (c) disappearance unexplained or inventory shortage misfiling or misplacing of information unless such **Damage** is identifiable by the **Insured** with a specific occurrence
 - (d) theft of unfixed non-ferrous metals of any description unless at the time of theft
 - (i) an authorised employee or agent of the **Insured** is on site or
 - (ii) such Property is contained in a securely locked building

Exclusion (3) (d) shall not apply to jibs cranes and booms

(4) **Damage to**

- (a) **Money** and securities of any description
- (b) contractors' plant and equipment
- (c) the permanent works or any part thereof after such works have been taken over or taken into use (whichever is the earlier) by the Employer / Purchaser / Principal (except as provided for by **Contract Works Maintenance Visits**)

(5) the cost of repairing replacing or rectifying any

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

Exclusion (5) (a) shall not apply to subsequent **Damage** to other **Property Insured** which is free of the defective condition

- (6) any liquidated damages fines or any other penalties or consequential loss of any and every description
- (7) **Damage** to any airborne or waterborne vessel or craft marine rig platform or property situated on any such vessel craft marine rig or platform
- (8) **Damage** attributable solely to change in the water table level
- (9) Any costs incurred in connection with or in consequence of improvements overhauls following **Damage** but not forming part of the work insured under this Policy
- (10) the **Excess** stated in the Schedule

SUB-SECTION 1 – EXTENSIONS

Architects', Surveyors', Legal and Consulting Engineers' Fees

The insurance by **Contract Works** includes an amount in respect of Architects', Surveyors', Legal and Consulting Engineers' Fees necessarily and reasonably incurred in the reinstatement or repair of the **Property Insured** consequent upon its **Damage** but not for preparing any claim, it being understood that the amount payable under the **Contract Works** shall not exceed two and half per cent of the contract price

Automatic Reinstatement of Loss

In the absence of written notice by the **Insurers** or the **Insured** to the contrary the insurance hereby shall not be reduced by the amount of any loss in consideration of which the **Insured** shall pay the appropriate extra premium on the amount of the loss from the date thereof to the expiry of the Period of Insurance

Expediting Expenses

The insurance in respect of **Contract Works** extends to include costs necessarily and reasonably incurred by the **Insured** in making temporary repairs and expediting permanent repair including overtime working and the use of rapid transport in consequence of **Damage** to the **Contract Works** for which the **Insured** provided that the amount payable shall not exceed fifty per cent of the cost of repair had such costs not been incurred

Escalation Clause

The sum insured in respect of **Contract Works** as stated in the Schedule may be increased by an amount not exceeding 25% should the original estimated contract price of any insured contract including the value of free-issue materials increase by such amount

JCT Contract Conditions

Where the **Insured** undertakes a contract under JCT Standard Form of Building Contract 1998 (or the equivalent thereof) in the event of **Damage** to the **Property Insured** by any of the specified perils defined in the above mentioned Standard Form of Building contract it is agreed that so far as is required by the sub-contract the **Insurers** will not pursue any rights of subrogation against sub-contractors directly engaged by the **Insured**

Plans

The insurance in respect of **Contract Works** extends to include the cost of rewriting or redrawing documents drawings and business books but only for the value of the materials as stationery and the cost of clerical labour in writing up and not for the value of the information contained therein. Provided that the amount payable shall not exceed two and half per cent of the contract price

Principals Indemnity

The insurance in respect of **Contract Works** is extended to cover any principal in a like manner to the **Insured** where required by the conditions of the contract in respect of contracts undertaken in the United Kingdom only

Public Authorities

The insurance by this Sub-Section extends to include the additional cost of re-instatement following **Damage to Contract Works** solely to comply with any regulations arising out of an act of Parliament or with bye-laws of any Municipal or Local Authority or European Union directive

Provided that

Re-instatement (which may be carried out upon another site subject to the liability not being increased thereby) is carried out without delay

The amount recoverable under this clause shall not include

- (1) The costs incurred in complying with regulations or bye-laws intimated to the **Insured** prior to the happening of the **Damage**
- (2) The costs incurred in respect of undamaged **Property**
- (3) The amount of any rate tax duty development or other charge which may become payable following compliance with such regulations or bye-laws

The amount payable shall not exceed five per cent of the contract price

Removal of Debris

The insurance in respect of **Contract Works** includes costs and expenses necessarily incurred by the **Insured** with the consent of the **Insurers** in

- (1) removing debris
- (2) repairing or cleaning drains sewers service mains and the like and /or dewatering
- (3) dismantling and /or demolishing
- (4) shoring up or propping

- (5) temporary boarding up of windows following breakage of glass
- (6) boarding up

following **Damage** to the **Contract Works** hereby insured provided that the amount payable shall not exceed 10 per cent of the **Contract Works** sum insured

Show Properties

The insurance in respect of Contract Works extends to include show properties and the contents therein subject to a limit in respect of such contents of £50,000

Speculative Building

The insurance in respect of **Contract Works** is extended to include property being built or erected by the **Insured** other than under contract. In respect of such property cover shall cease to apply from

- (1) the date such property is sold or let or
- (2) three months after the date of completion of the work of building or erecting the last property on the contract site whichever is the earlier

Completion shall mean completion apart from a prospective purchaser's or tenant's choice of decorations and/or final fitments

SUB-SECTION 1 – CONDITIONS

Discharge of Liability

The **Insurers** may at any time pay to the **Insured** in connection with any claim or series of claims the amount of the sums insured (after deduction of sums already paid as compensation in respect of such claim or claims or other relevant claims) or any lesser amount for which such claim or claims can be settled and upon such payment being made the **Insurers** relinquish the conduct and control of and be under no further liability in connection with such claim or claims other than the payment of costs and expenses incurred prior to the time of such payment

Joint Code of Practice

In respect of contracts which have an original contract price of £1,500,000 or more the **Insured** undertakes to comply with The Joint Code of Practice on the Protection from Fire of Construction Sites and Buildings Undergoing Renovation (The Joint Code) dated January 2006 or any subsequent amendment or revised edition current at the inception or subsequent renewal of this policy

An appointed representative of the **Insurers** shall have the right at all reasonable times to enter and inspect the contract site for the purpose of checking whether the conditions in all respects comply with The Joint Code

In the event of the **Insurers** becoming aware of a breach of The Joint Code the **Insurers** may inform the main or management contractor's construction site management of the nature of the breach specifying the remedial measures required by the **Insurers** and the period within which these must be completed

Where the **Insurers** consider such a breach is of sufficient importance the **Insurers** may confirm the same by notice in writing to the Employer and the main/management contractor and the first named party of the **Insured** when this is not the Employer or the main/management contractor at their respective addresses nominated by the **Insured** at the inception of the cover or as subsequently amended

Under the terms of this or any subsequent notice the **Insurers** may suspend or cancel all cover under this Sub-Section from the date named in the notice not being a date earlier than the date named for completion under the remedial measures it being understood that upon suspension such cover shall be reinstated when the **Insurers** are satisfied that the remedial measures have been completed. Such notice shall be given by registered post recorded delivery facsimile transmission or by hand. The reference to suspension or cancellation of all cover shall apply only to the contract specified in the notice

In the event of cancellation only the **Insurers** agree to return to the **Insured** a pro rata proportion of the relevant part of this Sub-Section premium

Series defects

If the development or discovery of a defect in any part of the **Contract Works** shall indicate or suggest that similar defects exist in other parts of the said **Property** the **Insured** shall forthwith investigate and if necessary rectify the defects in such other parts at his own expense or alternatively bear all losses arising out of the said defects

Stoppage of Work

In the event of stoppage of work by the **Insured** on the contract site from any cause for a period of one month cover under **Contract Works** shall be suspended unless its continuance be agreed in writing by the **Insurers**. In the event of such total or partial cessation of work the **Insured** shall use due diligence and do all things reasonably practicable to protect the **Property Insured**

Use of Asphalt, Bitumen, Tar, Pitch or Lead Heaters.

The heating must be carried out in the open in a vessel designed for the purpose and if carried out on a roof the vessel must be placed on a non-combustible heat insulated base

Use of Heat

It is a condition precedent to the liability of the **Insurers** under this Section that the following precautions are complied with on each occasion of the use or application of heat (as defined below) by or on behalf of the **Insured** taking place elsewhere than on the **Insured's** own premises

Application of heat by means of electric oxyacetylene or other welding or cutting equipment or angle grinders, blow lamps, blow torches, hot air guns or hot air strippers

- (1) The area in the immediate vicinity of the work (including in the case of work carried out on one side of a wall or partition, the opposite side of the wall or partition) must be cleared of all loose combustible material; other combustible material must be covered by sand or over-lapping sheets or screens of non-combustible material
- (2) At least two adequate and appropriate portable fire extinguishers, in proper working order, must be kept in the immediate area of the work being undertaken and used immediately smoke or smouldering or flames are detected
- (3) A fire safety check of the working area must be made approximately 60 minutes after the completion of each period of work and immediate steps taken to extinguish any smouldering or flames discovered
- (4) Blow lamps and blow torches must be filled in the open and must not be lit until immediately before use and must be extinguished immediately after use

- (5) A person must be appointed by the **Insured** to act as an observer to watch for signs of smoke or smouldering or flames

Sub-paragraph (3) does not apply to the application of heat by means of blow lamps, blow torches, hot air guns or hot air strippers

SUB-SECTION 2 – CONTRACTORS PLANT

In the event of **Damage** to the **Property Insured** whilst situated anywhere within the **Territorial Limits** and occurring during the Period of Insurance the **Insurers** will pay to the **Insured**

- (1) in respect of **Own Plant** the value of the **Property** at the time of **Damage** or at the **Insurers'** option reinstate or replace such **Property** or any part of it
- (2) in respect of **Other Plant** all sums which the **Insured** is legally liable to pay

Provided that the liability of the **Insurers** under this Sub-Section shall not exceed

- (1) in respect of any item its sum insured or any other limit of liability stated in the Schedule at the time of the **Damage**
- (2) the sum insured (or limit) remaining after deduction for any other **Damage** occurring during the same Period of Insurance, unless the **Insurers** shall have agreed to reinstate any such sum insured (or limit)

SUB-SECTION 2 – EXCLUSIONS

This Sub-Section does not cover

- (1) **Damage** caused by
 - (a) corrosion rust wet or dry rot wear and tear shrinkage evaporation loss of weight dampness dryness marring scratching vermin or insects
 - (b) acts of fraud or dishonesty
 - (c) disappearance unexplained or inventory shortage misfiling or misplacing of information unless such **Damage** is identifiable by the **Insured** with a specific occurrence
 - (d) in respect of **Own Plant** its own explosion mechanical electrical breakdown failure breakage or derangement
 - (e) or arising from the ingress of foreign bodies and or materials being processed
- (2) **Damage** to
 - (a) rubber tyres unless such **Damage** arises out of an accident for which cover is provided under this Sub-Section to other parts of the **Property Insured** or such **Damage** arises out of a malicious act which necessitates replacement if such tyres where repair is deemed impracticable
 - (b) fixed or static **Property** which is more specifically insured
 - (c) **Property** occurring underground unless such **Property** can be repaired underground or brought back to the surface at the **Insured's** expense
 - (d) any **Property** whilst undertaking lifting operations in which a single load is shared between more than one item of lifting equipment at the same time

- (3) abandonment of **Property** underground
- (4) oil and gas drilling rigs and tunnel boring machines
- (5) any liquidated damages fines or any other penalties or consequential loss of any and every description
- (6) the **Excess** stated in the Schedule

SUB-SECTION 2 – EXTENSIONS

Hiring Out

The insurance by this Sub-Section extends to include **Own Plant** and **Other Plant** whilst hired out provided the terms of any such hiring out are no less onerous than

- (1) In respect of **Own Plant** the recognised standard hire conditions in the territory concerned
- (2) In respect of **Other Plant** those terms under which it was hired in by the **Insured**

Immobilised Property

The insurance by this Sub-Section is extended to include the costs necessarily and reasonably incurred by the **Insured** to recover **Property** which has been accidentally immobilised during normal operations other than

- (1) by its own explosion mechanical or electrical breakdown failure breakage or derangement
- (2) **Damage** caused by a failure to maintain the **Property** in accordance with the manufacturers recommendation

provided that

- (1) the liability of the **Insurers** shall not exceed £25,000 in respect of all recoveries during the Period of Insurance
- (2) such costs do not exceed the sum which would otherwise have been payable under this Sub-Section
- (3) the **Insurers** shall not be liable for **Damage** in order to effect the recovery of such **Property**

Indemnity to Other Parties

The insurance by this Sub-Section extends to include other parties solely to the extent required by the conditions of contract in force between the **Insured** and such other parties provided that such other parties will be subject to the terms exclusions and conditions of the policy

Legal Proceedings

The insurance by this Sub-Section extends to include legal costs incurred with the prior consent of the **Insurers** in the defence of proceedings against the **Insured**

SUB-SECTION 2 – CONDITIONS

Average Unspecified Own Plant

In respect of **Own Plant** only and in the absence of a completed **Own Plant** schedule if the total value of **Own Plant** at the commencement of **Damage** be more than the sum insured in respect of **Own Plant** insured by this Sub-Section the amount payable by the **Insurers** shall be proportionately reduced

Cranes and Operators

It is a condition precedent to liability for **Damage** that

- (1) all crane operations are undertaken on firm level ground
- (2) cranes are blocked or stabilised when performing operations
- (3) all jibs and booms on crane or similar lifting appliances are lowered to the ground level at the end of each working day or when such items are not in use
- (4) all cranes are fitted with overload alarm systems and wind speed indicators and such systems and indicators are monitored and are in an operational working condition
- (5) all operators are licensed to operate such **Property** in accordance with statutory regulations

Reinstatement Own Plant

If at the time of **Damage** to **Own Plant** the **Property** is less than or equal to 18 months old from the date of sale as new the **Insurers** will

- (1) reinstate the **Property** to a working condition substantially the same as but not better or more extensive than its condition when new or
- (2) where the item of **Own Plant** cannot be economically repaired replace the item by new **Property** of equal performance and or capacity

provided that at the time of reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the **Property** covered by any item subject to this Condition exceeds its sum insured at the commencement of any **Damage**, the liability of the **Insurers** shall not exceed that proportion of the amount of the **Damage** which the said sum insured shall bear to the sum representing the total cost of reinstating the whole of such **Property** at that time