



# PropertyWorks

Commercial Building Works Insurance Policy



# PropertyWorks

## Commercial Insurance Policy

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## Welcome to Plum Underwriting

Thank you for choosing to insure your property with Plum Underwriting.

Plum is a specialist insurance provider, established in 2002. We offer our products to our broker partners in the UK and Ireland, and have built a consistently good reputation based on our excellent customer service and underwriting strengths.

We strive to ensure that you, the policyholder, receive an insurance policy that is tailored to meet your individual requirements.

We choose our underwriting partners very carefully, based on their financial strength and service capabilities. The underwriter(s) for your policy is as detailed in the Policy Schedule. Our claims service is designed to respond when you need it most – 24 hours a day, 7 days a week.

We are delighted to be given the opportunity to insure your property and can assure you that we will do all we can to keep you as a valued customer for many years ahead.



David Whitaker  
Managing Director



### Your Policy

**Your policy** sets out clearly what is and what is not covered and to assist **you**, any words or phrases with special meanings have been defined and are in bold.

The **policy** sections are:

Section 1 – The Property

Section 2 – The Contents

Section 3 – Property Owners Liability

Section 4 – Legal Helpline

### Policy Documentation

The **schedule** details which sections are covered and which **underwriter** is providing the cover under each section.

It is essential that the **policy**, the **schedule** and any **endorsements** that may be applicable are read very carefully. All these documents must be read together and any word or phrase which has been defined in this **policy** will have that meaning wherever it appears.

Words or phrases with special meanings which have been defined are shown in bold. A list of defined words and their meanings is shown in the section 'Definitions – Words with Special Meanings' which begins on page 7.

#### Language

The language of this insurance contract and all communications relating to it will be in English.

#### Correct Information and Changes in Circumstances

The information **you** have supplied to **us** on the proposal form, and/or statement of fact and/or any supplementary information, is used to determine whether **we** will accept **your** insurance and if so the premium to be charged and the terms, conditions and exclusions to be applied.

**You** must therefore ensure to the best of **your** knowledge and belief that all the information **you** provide to **us** is correct and accurate at all times.

**You** must notify **us** as soon as practicably possible via **your broker or insurance intermediary** if:

- any information is incorrect
- there is a change in the information **you** have given **us**

**We** will correct or change the information and use the information to determine whether **we** will continue to accept **your** insurance and either:

1. Continue the **policy** unchanged
2. Backdate any terms, conditions, exclusions or additional/return premium that would have applied at the effective date of the correction and/or change. This could result in a claim not being paid under this insurance.
3. Cancel the **policy** giving notice as per the cancellation condition shown in this **policy** wording or on the **schedule**. This could result in a claim not being paid under this insurance.
4. Treat the **policy** as if it never existed

**We** will treat the **policy** as if it never existed and **we** will not pay a claim if **you** or **your** representative has:

- deliberately misrepresented any information given
- deliberately or falsely overstated information given

## Cooling Off and Cancellation

### Cooling-Off Period

If **you** find this insurance does not meet **your** requirements, **you** are entitled to cancel this insurance by writing to **your broker or insurance intermediary** within 14 days of either the date **you** receive the **policy** documentation or the start date of the **period of insurance**, whichever is the later.

**We** will refund any premium **you** have paid, providing that **you** have not made a claim.

### Cancellation

1. Cancellation of the **policy** by **you**:

**You** may cancel the **policy** at any time by notifying **us** via **your broker or insurance intermediary**.

2. Cancellation of the **policy** by **us**:

**We** may cancel this **policy** or any part of it if there are serious grounds to do so by giving **you** 21 days written notice via **your broker or insurance intermediary** detailing the reason for cancellation by recorded delivery to the correspondence address stated in the **schedule**.

**We** will detail the reason for the cancellation in **our** written notice to **your broker or insurance intermediary**.

Examples of where **we** would cancel the **policy** are as follows:

1. Where **we** have been unable to collect a premium payment following non-payment correspondence issued to **you** by **us**.
2. A change in the information **you** have previously given **us** where **we** are able to demonstrate that **we** would not normally offer insurance.
3. Unacceptable behaviour by **you** such as abusive behaviour or language, intimidation or bullying of **our** staff or suppliers.
4. **You** have deliberately misrepresented any information given to **us**.
5. **Your** failure to cooperate with **us** in accordance with **our** claims conditions where it affects **our** ability to process **your** claim.
6. If **you** have acted fraudulent in any way.
7. **You** have deliberately or falsely overstated information given to **us**.

Examples 4 and 7 above are more likely to result in **us** treating the **policy** as if it never existed as detailed under the 'Correct Information and Changes in Circumstances' notice under the 'Policy Documentation' section on page 2.

3. Cancellation by **us** following a fraudulent claim

If **you** make a fraudulent claim under the **policy** **we** will cancel the **policy** from the date of the fraudulent act.

4. Premium refund following cancellation of the **policy**:

In the event of cancellation by **you**, **your** premium refund will be calculated as follows:

If **you** cancel after the initial 14 day 'cooling off' period any refund will be on a proportional basis and always subject to the current **period of insurance** being claim free.

If **you** have made a claim in the **period of insurance** being cancelled **we** will retain 100% of the premium and no refund will be due to **you**.

In the event of cancellation by **us**, **your** premium refund will be calculated as follows:

Any refund will be on a proportional basis and always subject to the current **period of insurance** being claim free. If **you** have made a claim **you** will not be eligible for a refund and **you** must pay **us** any amount **you** still owe **us** for the period for which **you** have been insured.

## Customer Service and Complaints Procedure

Plum Underwriting and **your broker or insurance intermediary** are committed to providing **you** with the highest standard of service at all times. If **you** have any questions or queries about the **policy** or the handling of any claim, in the first instance please contact **your broker or insurance intermediary** shown on the **schedule**.

### Customer Complaints Procedure

In the event that **you** wish to make a complaint regarding the **policy** or claim please follow the complaints procedure shown in the **schedule**.

### Financial Ombudsman Service

The Financial Ombudsman Service is a free service set up by parliament to sort out individual complaints that consumers or small business are not able to resolve with financial businesses.

Complaints from businesses that Plum Underwriting or **underwriters** cannot settle may be referred to the Financial Ombudsman Service but only if the business has a turnover of less than EUR 2 million and fewer than 10 employees.

Please see the customer complaints procedure shown in the **schedule** for details of the Financial Ombudsman Service.

## Authorisation, Regulation and Compensation

### Plum Underwriting Limited

Plum Underwriting Limited is registered in England and Wales: 04509589, 36-38 Botolph Lane, London, EC3R 8DE  
Plum Underwriting Limited is authorised and regulated by the Financial Conduct Authority, FRN 309166.

### Underwriters

The **underwriters** for the **policy** are detailed on the **schedule** under the 'underwriters' section.

All **underwriters** providing cover under the **policy** are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority unless stated otherwise in the **schedule**.

Further details can be found on the Financial Services Register at [www.fca.org.uk/register](http://www.fca.org.uk/register)

The **policy** or sections of the **policy** may be underwritten by more than one **underwriter**. The **schedule** confirms who the **underwriter(s)** are for the **policy** or section of the **policy**.

Where there is more than one **underwriter** noted, each **underwriter** is solely responsible for their own percentage of the **policy** or section of the **policy**, they are not responsible for any other **underwriter(s)** percentage of the **policy** or section of the **policy**.

The responsibility does not pass to any other **underwriter** noted in the event that for whatever reason, another **underwriter** does not satisfy all or part of their obligations under the **policy** or section of the **policy**.

This is standard procedure where more than one **underwriter** is underwriting the **policy** or section of the **policy**. **You** can rest assured that Plum Underwriting Limited chooses **underwriter(s)** that are financially stable and professional ensuring that they will always meet their obligations in accordance with the **policy** or section of the **policy**.

**You** are also covered by the Financial Services Compensation scheme as detailed opposite.

**You** can also visit our website which shows further detail at [www.plum-underwriting.com/about/underwriting-capacity/](http://www.plum-underwriting.com/about/underwriting-capacity/)

## Authorisation, Regulation and Compensation

### The Financial Conduct Authority

The Financial Conduct Authority (FCA) want consumers to use financial services with confidence and have products that meet their needs, from firms and individuals they can trust.

To achieve this, the FCA regulates firms and financial advisers so that markets and financial systems remain sound, stable and resilient and their aim is to help firms put the interests of their customers and the integrity of the market at the core of what they do.

**You** can contact the FCA as follows:

The Financial Conduct Authority  
25 The North Colonnade,  
Canary Wharf,  
London  
E14 5HS

UK: 0800 111 6768 (freephone)  
From abroad: +44 20 7066 1000  
Email: [consumer.queries@fca.org.uk](mailto:consumer.queries@fca.org.uk)

### Prudential Regulation Authority

The Prudential Regulation Authority's (PRA) role is defined in terms of two statutory objectives to promote the safety and soundness of banks, building societies, credit unions, insurers and major investment firms and specifically for insurers, to contribute to the securing of an appropriate degree of protection for policyholders.

**You** can contact the PRA as follows:

The Prudential Regulation Authority  
Bank of England, Threadneedle Street, London, EC2R 8AH

Telephone: +44 (0)20 7601 4878  
From abroad: as above  
Email: [enquiries@bankofengland.co.uk](mailto:enquiries@bankofengland.co.uk)

### Financial Services Compensation Scheme

All **underwriters** providing cover under the **policy** are covered by the Financial Services Compensation Scheme.

**You** may be entitled to compensation from the Scheme if an **underwriter** is unable to meet its obligations to **you** under this contract.

If **you** were entitled to compensation under the Scheme, the level and extent of the compensation would depend on the nature of this contract. The Scheme contact details are as follows:

Financial Services Compensation Scheme  
10th Floor,  
Beaufort House,  
15 St Botolph Street,  
London  
EC3A 7QU

Telephone: 0800 678 1100

Further information about the Scheme is available from the Financial Services Compensation Scheme: [www.fscs.org.uk](http://www.fscs.org.uk).

## Laws Applying

### Choice of Law and Jurisdiction

The parties are free to choose the law applicable to this insurance contract. Unless specifically agreed to the contrary prior to the inception of the **policy**, this insurance shall be governed by the laws of England and Wales and subject to the exclusive jurisdiction of the courts of England and Wales.

### Contracts (Right of Third Parties) Act 1999

A person who is not a party to this insurance has no right under the Contracts (Right 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.

### Protecting your Information

All personal information about **you** will be treated as private and confidential (even when **you** are no longer a customer), except where the disclosure is made at **your** request or with **your** consent in relation to administering **your** insurance or where Plum Underwriting Ltd are required by law.

Some or all of the information **you** supply to Plum Underwriting Ltd in connection with **your** insurance proposal may be passed to insurance companies and other companies for underwriting, claims and premium collection purposes. **Your** data will be held in accordance with the Data Protection Act 1998, under which **you** have a right of access to see personal information about **you** that is held in our records, whether electronically or manually. If **you** have any queries, please write to **your broker or insurance intermediary**.

Plum Underwriting Ltd and/or the **underwriter(s)** and/or credit providers may use publicly available data from a variety of sources, including credit reference agencies and other external organisations to verify **your** identity or creditworthiness, to avoid fraud, and to obtain beneficial quotes and payment options on **your** behalf. Each of the searches may appear on **your** credit report whether or not **your** application proceeds.

By agreeing to these terms and conditions **you** agree to these uses of **your** information.

## How to make a claim

To make a claim, **you** can contact **us** by telephone, email or post – please refer to the section 'How to Make a Claim' in the **schedule** for the contact details.

When notifying a claim, please provide **your** name, **policy** number (shown on the **schedule**), the name of **your broker or insurance intermediary** and full details of the **accidental damage** and/or **bodily injury**.

There are a number of claims conditions that operate, please refer to pages 13 & 14 which explain **your** duties in the event of a claim and how **we** deal with **your** claim.

## Definitions - Words with Special Meanings

The following definitions apply to all sections of this **policy**.

<b>Accidental Damage</b>	Sudden and unintentional physical damage that occurs unexpectedly and not through wear and tear, breakdown or malfunction.
<b>Anticipated Profits</b>	The monies that would have been paid or payable to <b>you</b> during the <b>indemnity period</b> in respect of the commercial operation of the <b>contract works</b> less <b>time deductible profits</b> and <b>variable charges</b> .
<b>Bodily Injury</b>	<p>Bodily injury to any person shall include:</p> <ul style="list-style-type: none"><li>• Death illness and disease</li><li>• Mental injury, anguish or nervous shock sustained by any person as a result of actual or threat of bodily injury, death, illness or disease.</li></ul>
<b>Computer Virus</b>	A set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network.
<b>Contents</b>	<p>Goods and other items within the <b>property</b>, which are <b>your</b> property or which <b>you</b> are legally liable for.</p> <p><b>Contents</b> includes:</p> <ul style="list-style-type: none"><li>• carpets and curtains</li><li>• radio and television aerials, satellite dishes, their fittings and masts which are attached to the <b>property</b></li><li>• business documents up to £1,500 in total per claim</li><li>• paintings or other bespoke or unique works of art or craft up to £2,500 in total per claim</li><li>• <b>contents</b> in garages and <b>outbuildings</b> up to £2,500 in total per claim</li></ul> <p><b>We</b> will not pay for:</p> <ul style="list-style-type: none"><li>• computers and or data thereon, or the costs of recompilation of data</li><li>• property in the open (other than radio and television aerials, Satellite dishes, their fittings and masts which are attached to the <b>property</b>)</li><li>• personal documents</li><li>• stamps, medals, coins or items forming part of a collection</li><li>• gold, silver, gold and silver plated articles, jewellery and furs</li><li>• pedal cycles</li><li>• motor vehicles (other than domestic gardening equipment or motorised mobility scooters, electric wheelchairs and powerchairs), caravans, trailers or watercraft or their accessories</li><li>• money or credit cards</li><li>• any living creature</li><li>• any part of the <b>existing structure</b> or the <b>contract works</b></li><li>• any property held or used for personal purposes</li><li>• any property insured under any other insurance</li><li>• land or water</li></ul>
<b>Contract</b>	The agreement with the <b>contractor(s)</b> for work to be carried out on behalf of <b>you</b> by way of construction, installation, extension, alteration, repair or maintenance.
<b>Contractor(s)</b>	The parties (including contractors and sub contractors of every tier where required to be insured under the <b>contract</b> ) who carry out <b>contract works</b> at the <b>risk address</b> as detailed under the <b>contract works</b> section in the <b>schedule</b> .

## Definitions - Words with Special Meanings

<b>Contract Works</b>	The permanent and temporary activities executed in performance of the <b>contract</b> and site materials and <b>free issue materials</b> for incorporation therein whilst at the <b>risk address</b> as detailed under the <b>contract works</b> section in the <b>schedule</b> .
<b>Costs and Expenses</b>	Costs and expenses recoverable by any claimant from <b>you</b> , costs and expenses incurred by <b>you</b> with <b>our</b> written consent or <b>your</b> solicitors fees for the representation at any coroners inquest or fatal accident inquiry or in any court of summary jurisdiction.
<b>Endorsement(s)</b>	A change in the terms and conditions of this insurance that can extend or restrict cover.
<b>Excess</b>	The amount shown in the <b>schedule</b> or <b>endorsement</b> which <b>you</b> will be responsible for paying in the event of each and every claim.
<b>Existing Structure</b>	The existing land, permanent buildings, <b>outbuildings</b> at the <b>risk address</b> owned by <b>you</b> including: <ul style="list-style-type: none"><li>• Interior decorations, fixtures and fittings, fitted appliances, machinery, plant, lifts and climate control systems</li><li>• <b>Swimming pools</b>, ornamental fountains and ponds</li><li>• Hard tennis courts, terraces, patios, driveways, footpaths, walls, gates, fences and hedges</li><li>• Underground service pipes, cables, sewers, drains, fixed domestic fuel tanks, externally fixed radio and television aerials, satellite dishes, their fittings and masts, solar panels.</li></ul>
<b>Free Issue Materials</b>	New materials or items purchased by <b>you</b> and any <b>reused materials</b> made available for incorporation within the <b>contract works</b> by <b>your contractor(s)</b> provided that <b>you</b> declare to <b>us</b> the original purchase and replacement values of such <b>free issue materials</b> during the <b>period of insurance</b> .
<b>Heave</b>	Upward movement of the ground beneath the <b>risk address</b> as a result of the soil expanding.
<b>Indemnity Period</b>	A twelve month period beginning with the date on which but for the indemnifiable physical loss or damage the commercial operation of the <b>contract works</b> would have commenced
<b>Other Party/Parties</b>	Any other party named in the <b>schedule</b> under the 'Other Parties' section.
<b>Outbuildings</b>	Free-standing permanent structures including: <ul style="list-style-type: none"><li>• Garages, stables, barns, studios, pool houses and summer houses</li><li>• Garden sheds, greenhouses and other similar structures.</li></ul>
<b>Landslip</b>	Downward movement of sloping ground.
<b>Period of Insurance</b>	The length of time for which this insurance is in force as shown in the <b>schedule</b> and for which <b>you</b> have paid and <b>we</b> have accepted a premium.
<b>Policy</b>	The <b>policy</b> wording as referenced by the <b>policy</b> wording reference in the <b>schedule</b> , the <b>schedule</b> including any <b>endorsement(s)</b> .
<b>Property</b>	The structure(s) at the <b>risk address</b> and more specifically insured in the <b>schedule</b> .
<b>Reused Materials</b>	Materials available for incorporation into the <b>contract works</b> and for which <b>you</b> are responsible, which have been fully removed from the <b>existing structure</b> and laid aside ready for re-use.
<b>Risk Address</b>	Shall mean the address as detailed in the <b>schedule</b> which includes the <b>site</b> , the <b>existing structure</b> and the <b>contract works</b> .

## Definitions - Words with Special Meanings

<b>Schedule</b>	The schedule is part of this insurance and contains details of <b>you, your</b> statement of fact, the <b>risk address</b> , the <b>contract works</b> , the <b>sums insured</b> , the <b>excess</b> , any <b>endorsement(s)</b> , the <b>period of insurance</b> , and the sections of the <b>policy</b> which apply.
<b>Settlement</b>	Downward movement as a result of the soil being compressed by the weight of the <b>risk address</b> within ten years of construction.
<b>Site</b>	The site of the <b>contract</b> as detailed in the <b>schedule</b> under <b>risk address</b> and adjacent thereto and shall include any special storage areas set up in connection with the <b>contract works</b> .
<b>Standard Construction</b>	Shall mean constructed of brick, stone or concrete and roofed with slates, tiles, asphalt, metal or concrete (but excluding anything roofed in whole or in part with thatch or highly combustible material).
<b>Subsidence</b>	Downward movement of the ground beneath the <b>risk address</b> other than by <b>settlement</b> .
<b>Sum Insured</b>	The amounts shown against each section, limit and/or item in the <b>schedule</b> and/or in the <b>policy</b> .
<b>Swimming Pools</b>	Swimming pools which are permanently installed.
<b>Territorial Limits</b>	Anywhere within England, Wales, Scotland, Northern Ireland, the Isle of Man and the Channel Islands.
<b>Terrorism</b>	<p>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.</p> <p>In any action suit or other proceedings where <b>we</b> allege that by reason of this definition any loss or damage is not covered by the <b>policy</b> (or is covered only up to a specified limit) the burden of proving that such loss or damage is covered (or is covered beyond that limit) shall be upon <b>you</b>.</p>
<b>Time Deductible Profits</b>	The monies that would have been paid or payable to <b>you</b> during the first thirty days after the date on which but for the indemnifiable physical loss or damage the commercial operation of the <b>contract works</b> would have commenced.
<b>Transit</b>	Transit between locations within the <b>territorial limits</b> undertaken in connection with the <b>contract works</b> .
<b>Trespass or nuisance</b>	Trespass, nuisance or obstruction or interference with any easement right of air, light, water or way.
<b>Unoccupied</b>	Where the <b>risk address</b> is vacant for a period of 7 continuous days.
<b>Variable Charges</b>	<b>Your</b> expenses which vary proportionately with the commercial operation of the business following completion of the <b>contract works</b> .
<b>Vitiating act</b>	Circumstances of fraud, misrepresentation, misdescription, non disclosure or breach of any warranty or condition by an insured party or parties.
<b>We/us/our/underwriter(s)</b>	Underwriters as named in the <b>schedule</b> .
<b>You/your/policyholder/insured</b>	The business named in the <b>schedule</b> as the policyholder, owner of the <b>risk address</b> and the employer of the <b>contractor(s)</b> who are carrying out <b>contract works</b> on the <b>risk address</b> .
<b>Your broker or insurance intermediary</b>	The business, person or persons who placed this insurance on <b>your</b> behalf.

## General Conditions

The following conditions apply to all sections of the **policy**. Additional conditions are shown in the sections to which they apply.

### 1. Multiple Premises

Each **risk address** included under this insurance is considered to be covered as if separately insured.

### 2. Your Duty of Care

**You** must take all reasonable steps to

- ensure the safety of the **risk address**
- prevent accidents and comply with all statutory obligations and to maintain the **contract works**, machinery, plant and **existing structure** in good condition and repair
- select **contractor(s)** who are experienced to carry out the **contract works** they will be undertaking as defined in the **contract**.
- remedy any defect or danger as soon as it is discovered and take any necessary precautions
- prevent any circumstances arising or cease any activity which may give rise to a claim under the **policy**

If **you** do not, **we** will not be liable to pay any related claim.

### 3. Fraud Prevention

In order to protect the interests of **our** policyholders and to prevent and detect fraud, **we** may at any time:

- share information about **you** with other organisations and public bodies including the Police
- check and/or file **your** details with fraud prevention agencies and databases
- undertake credit searches and additional fraud searches

If **you** provide false or inaccurate information and fraud is identified, details will be passed to the fraud prevention agencies and databases to prevent fraud and money laundering.

**We** can supply on written request by **you** details of the databases **we** access or contribute to.

### 4. Premium Payment

**We** will not make any payment under the **policy** unless **you** have paid the premium.

### 5. Other Insurance

**We** will not pay any claim if any loss, damage or liability covered under this insurance is also covered wholly or in part under any other insurance except in respect of any amount over which would have been covered under such other insurance had this insurance not been effected.

### 6. Sums Insured

**You** must ensure that **your sum insured** represents the full value of the property insured.

For **your existing structure**, the full value is the estimated cost of rebuilding if **your buildings** were destroyed (this is not the same as the market value). It must be adequate to include rebuilding expenses.

**Your sum insured** for **contents** must be the cost to replace as new.

If **you** fail to ensure that **your sums insured** represent the full value of the property insured, **we** may only pay a proportion of **your** claim. For example if **your sum insured** only covers one half of the cost of rebuilding **your existing structure**, **we** will only pay one half of the cost of repair or replacement.

### 7. Fraudulent Claims

If **you** or anyone acting on **your** behalf makes a claim knowing it to be false or fraudulent in amount or in any other respect **we** will cancel the **policy** from the date of the fraudulent act.

**We** will seek to recover any payments from **you** which **we** have already made in respect of the fraudulent claim.

This action will not affect any previous claims unless the fraudulent act took place before any previous claims in which case the **policy** will be cancelled from the date of the fraudulent act and therefore no cover exists after this date and **we** will seek to recover any payments from any previous claims which **we** paid **you** on or after the date of the fraudulent act.

## General Conditions

### 8. Non-invalidation

This insurance shall not be invalidated by any act or omission or by an alteration whereby the risk of **accidental damage** is increased unknown to **you** provided that when **you** become aware thereof **you** shall as soon as practically possible give notice to **us**. Any terms, conditions and exclusions applied will be in accordance with **our** usual underwriting that **we** would have applied had **you** been aware and notified **us** of such risk of **accidental damage**. **You** may also be required to pay an additional premium.

### 9. General Property Management

**You** must ensure that:

- all gas, water and electricity mains supplies are disconnected if the **property** is **unoccupied** other than those required to operate any sprinkler system, fire alarm system or intruder alarm system.
- the **risk address** must be inspected internally and externally at least once every 7 days by either **you** or **your** representative to check the premises thoroughly and to carry out any work necessary to prevent **accidental damage** and maintain the security arrangements. A record of all inspections must be kept and made available to **us** on request. An example of an inspection record is included below, along with an example inspection checklist.
- all outside doors of the **property** are kept securely locked to prevent unauthorised entry when **you** or **your** representative or **your contractor(s)** are not present at the **risk address**.
- all windows of the **property** firmly secured at all times when **you** or **your** representative or **your contractor(s)** are not present at the **risk address**.
- any alarm system(s) present at the **property** are put into operation when **you** or **your** representative or **your contractor(s)** are not present at the **risk address**.
- any accumulations of combustible materials introduced to the **risk address** as part of the **contract** be adequately protected against sources of ignition and heat.
- any accumulations of waste from any **contract works** are to be removed from the **existing structure** at the end of each working day and deposited in skips. Such skips are to be situated at least 5 metres (16 feet 4.85 inches) from any **existing structure** and removed at least weekly from the **risk address**.

#### Example Inspection Record:

Name	Date	Time	Observations/Actions
John Smith	17/12/2015	14:20	All rooms checked and found in good condition, left fully locked with alarm activated.

#### Example Inspection Checklist

Whilst not exhaustive, the following is a list of areas which **you** or **your** representative may consider including in the inspection to mitigate any loss or damage:

- Windows shut and fastened and locked
- All external doors shut, fastened and locked when the **risk address** is left unattended
- Check throughout the **property** for any signs of ingress of water
- Check inside and outside of the **property** for any signs of leaks/escape of water
- Check all windows and doors of the **property** for signs of any attempted forced entry
- Remove any build up of newspapers and post
- Consider sealing letter box
- Remove any rubbish that has accumulated outside of the **risk address** or in doorways/porches
- If fitted ensure the intruder alarm is fully functional and operates correctly
- If fitted ensure CCTV system is fully functional and operates correctly
- Ensure electrical appliances are switched off when not in use
- Ensure any uncontained electrical wiring is in good condition and no bare wires are showing
- Roof tiles in good order, no slipped or broken tiles
- Flat roofs in good condition, no rips/tears or pooling of water
- Ensure gutters and rainwater goods are regularly checked and cleared of any build up of leaves/rubbish

## General Conditions

- Ensure trees and shrubs are maintained with any damage/diseased sections being removed
- Gardens are maintained with rubbish removed
- Ensure aerial and satellite dishes are secured
- Internally ensure water is free running through sanitary ware and there are no signs of blockages
- Lift drain inspection covers to ensure water is free running and that there are no signs of blockages
- Check level of oil in external tanks is in line with expectation
- Check oil tanks externally for damage or leaks
- Ensure central heating is functional and operates correctly including timers
- Check any **outbuildings** for signs of any attempted forced entry.

### 10. Risk Management

Where the total of the **existing structure sum insured** and the **contract works sum insured** is greater than or equal to £2,500,000 **we** may speak to **your broker or insurance intermediary** to arrange a mutually agreeable date and time to visit the **risk address** with **you** or **your** representative to provide **you** with risk management advice free of charge.

**We** may at **our** discretion offer this service to **you** if **your existing structure sum insured** and **contract works sum insured** is under £2,500,000. Where **we** do, **we** will speak to **your broker or insurance intermediary** to arrange a mutually agreeable date and time to visit the **risk address** with **you** or **your** representative.

## General Claims Conditions

The following claims conditions apply to all sections of the **policy** as a whole. Additional claims conditions are shown in the sections to which they apply. If **you** fail to comply with any of the conditions this may affect the settlement of any claim under the **policy**.

Please also refer to the individual **policy** sections for additional comment.

### 1. Your duties in the event of a claim – Things you need to do

#### a) Notifying us of a Claim

**You** must as soon as practicably possible provide details of the claim or possible claim, using the claims contact details as stated in the **schedule**.

#### b) Circumstances of the Claim

**You** must provide **us** with written details of what has happened within 30 days and provide any other information **we** may require.

#### c) Property Owners Liability Claims

**You** must forward to **us** as soon as practicably possible, notice of the claim, if a claim for liability is made against **you**, any letter, claim, writ, summons or other legal document **you** receive.

#### d) Notifying the Police or Other Relevant Authorities

**You** must, following malicious acts, violent disorder, riots or civil commotion, theft, attempted theft or lost property:

- tell the Police as soon as practicably possible and, if required, any other relevant authorities
- obtain an incident report number (where issued), a property irregularity or other appropriate report

#### e) Our Representatives

**You** must co-operate fully at all times with **us** and **our** authorised representatives including loss adjusters and other experts that **we** have appointed.

#### f) Other Information and Assistance

**You** must as soon as practically possible provide any information and assistance **we** may require.

#### g) Your Authority

**You** must not negotiate, pay, settle, offer to settle, admit to or deny any claim without **our** prior written consent.

#### h) Your Duty of Care

**You** must take all care to limit any loss, damage or injury.

#### i) Evidence and Value

**You** must provide **us** with evidence of value or age (or both) for all items involved in a claim.

#### j) Your Property

**Your** property shall remain **yours** at all times. **We** shall not take ownership of or accept liability for any of **your** property unless **we** agree with **you** in writing that **we** shall do so.

### 2. How we deal with your claim

#### a) Payment of Claims

Subject to **you** complying with '1. Your duties in the event of a claim – Things you need to do' as detailed above, **we** will ensure that **we** will pay sums due to **you** for any valid claim within a reasonable time, allowing for investigation and assessment of the claim.

#### b) Defence of Claims

**We** have the right to:

- take full responsibility for conducting, defending or settling any claim in **your** name
- take any action **we** consider necessary to enforce **your** rights or **our** rights under this insurance

## General Claims Conditions

### c) Our Rights

After a claim **we** have the right to:

- take over and conduct in **your** name, the defence or settlement of any claim
- prosecute in **your** name to recover, at **our** expense and for **our** benefit, any payment **we** have made under this insurance
- inspect any damaged property should **we** wish to do so

### d) Excess

If **your** claim is in respect of a single event and **we** are paying **you** under multiple sections of the **policy** then **we** will only deduct the highest **excess** of those sections rather than deducting each **excess** under each section.

### e) Discharge of Liabilities

**We** may, at **our** discretion, in respect of any claim covered by the **policy**, pay to **you** the **sum insured** (or the balance of this amount not yet paid to **you**), or any lesser amount for which the claim can be settled. On payment of this sum, **we** will be under no further liability other than for **costs and expenses** incurred prior to the date of this payment for which **we** are responsible.

### f) Possession

**We** will be entitled, without incurring any liability under the **policy** to:

- enter any building or premises where **accidental damage** has happened and take and keep possession of the damaged property
- deal with salvage in any reasonable way

But no property can be abandoned to **us**.

If **we** elect to reinstate or replace any property, **you** must, at **your** own expense produce any plans, documents or information as **we** may reasonably require. **We** will pay for any reasonable expenses **you** incur in providing **us** with this as part of **your** claim. **We** are not bound to reinstate exactly or completely, but as well as circumstances permit and in a reasonable and sufficient manner.

### g) Access

For the purpose of handling and settling **your** claim as quickly and as efficiently as possible **you** will give **us** access to the **risk address** at a mutually agreeable date and time.

## General Exclusions

The following exclusions apply to all sections of the **policy**. Additional exclusions are shown in the sections to which they apply.

### What is not covered:

1. Any loss or damage
  - that is not associated with the incident that caused **you** to claim
  - occurring before cover starts or arising from an event before cover starts
  - caused by deliberate acts by **you** or any of **your** employees
  - caused by deception other than by any person using deception to gain entry to the **property**
  - caused by loss of profit, business interruption or any economic loss of any kind other than covered under section 1 special extension 6 - Advanced Loss of Profits
  - incurred to eliminate or reduce any consequential loss, loss of profit, business interruption or any economic loss of any kind
  - caused by or resulting from the **risk address** being confiscated, taken, damaged or destroyed by or under the order of any government, public or local authority, or any emergency service
  - resulting from any **contract works** being undertaken at an open trench depth of 5 metres (16 feet 4.85 inches) below the normal ground level surrounding the **property**, unless **we** have agreed and accepted such **contract works** before such **contract works** commence and the **schedule** specifically states that this exclusion no longer applies
  - where **contract works** cease for 90 continuous days unless expressly agreed by **us** in writing.
  - where any loss, damage or liability covered under this insurance is also covered wholly or in part under any other insurance except in respect of any amount over which would have been covered under such other insurance had this insurance not been effected
  - caused by wear and tear or any other gradually operating cause, mechanical or electrical breakdown (unless occurring as a result of insured **accidental damage**), fault or failure

### Examples of wear and tear excluded under this policy include but are not limited to the following:

- Damp formed over a period of time
- Leaking guttering or drainage system due to age
- Failure of a flat roof due to age
- Worn out flooring

### Examples of mechanical and electrical breakdown excluded under this policy include but are not limited to the following:

- Electrical failure of electrical components
  - Mechanical failure of an engine
2. Any loss or destruction of or damage to any property or any loss or expenses arising from or any legal liability of any nature caused by or contributed to, 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, or
    - b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear components thereof.
  3. Any loss, damage, expense, or legal liability caused by, contributed to, or arising from pressure waves from aircraft and other aerial devices travelling at sonic or supersonic speeds.

## General Exclusions

4. Any loss or destruction of or damage to any property, or any loss or expenses resulting or arising from, or any legal liability caused by or contributed to by or arising from;
  - a) **computer viruses**, erasure or corruption of electronic data;
  - b) the failure of any equipment to correctly recognise the date or change of date.
5. Any loss or damage or liability occasioned by, happening through or resulting from 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 property by or under the order of any government or public or local authority. However this General Exclusion shall not apply to **accidental damage** to the **risk address** from or occasioned by the detonation of munitions of war in or about the **risk address**, providing that the presence of the munitions is not the result of a state of war at the time of the **accidental damage**.
6. Any loss or liability arising from;
  - 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
  - loss or damage caused by or happening through or in consequence directly or indirectly of **terrorism**
  - 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**
  - loss or damage in Northern Ireland or happening through or in consequence directly or indirectly of riot, strike, civil commotion locked out workers or persons taking part in labour disturbances
7. Any loss or damage which but for the existence of this insurance would have been provided under contract, legislation, guarantee or other more specific insurance.
8. Any benefit under the **policy** to the extent that the provision of such cover, payment or such claim or provision of such benefit would expose **us** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanction, laws or regulations of the European Union, United Kingdom or United States of America.
9. Any loss, damage or liability resulting from any structural work undertaken as part of the **contract works** that is not designed and planned by a fully qualified structural engineer and carried out in line with the current building regulation with the local authority building control services overseeing the work as they deem necessary.
10. Any additional proportion, other than **our** rateable proportion of any claim loss, damage or liability covered under the **policy**, should that loss, damage or liability be covered wholly or in part under any other insurance.
11. Any loss, damage or liability to replace, repair or rectify;
  - (i) Any component part or individual item of the **risk address** which is defective in design plan specification materials or workmanship;
  - (ii) Any part of the **risk address** lost or damaged to enable the replacement repair or rectification of **the risk address** excluded by (i) above.

Exclusion (i) above shall not apply to the other parts or items of the **risk address** which are free from defect but are damaged in consequence thereof.

For the purpose of the **policy** and not merely this exclusion the **risk address** shall not be regarded as lost or damaged solely by virtue of the existence of any defect in design plan specification materials or workmanship in the **risk address** or any part thereof.

## Special Conditions that apply to Fire cover

The following special conditions apply to sections 1 and 2 of the **policy**. If **you** fail to comply with any of these special conditions this may affect the settlement of any fire claim under sections 1 and 2 of the **policy**.

### 1. Heat application condition

Whenever there is application of heat involving a naked flame, an open heat source, operations producing sparks or a hot air stripper at the **risk address**:

- a) all combustible material must be removed a safe distance from the area the work is being carried out. A safe distance must be at least fifteen metres when welding or cutting is taking place.

Where such clearance is impracticable, combustible material must be covered by blankets or screens which are both non-combustible and which prevent the transfer of heat into surrounding items or structures.

Combustible parts of the **risk address** must be protected in the same way, and

- b) at least one water (with a capacity of more than 8.2 litres), dry powder (with a weight of more than 1.2 kilograms) or other fire extinguisher of an equivalent rating or a type suitable for the combustible material and the **risk address** is kept immediately adjacent to the area of work in full working order and available for immediate use, and
- c) equipment is lit for as short a time as possible before use and extinguished immediately after use, and
- d) equipment which is lit or switched on is not left unattended, and
- e) on every occasion that work with heat occurs, one hour after work has finished, a thorough examination for any sign of combustion must be made, in and around the work area with the appropriate findings recorded and signed off by an independent party. A hot works permit system is recommended for this purpose.

### 2. Asphalt, bitumen and tar heaters condition

**Your contractor(s)** must ensure that:

- a) all heating of asphalt, bitumen, tar or pitch is carried out in a suitable vessel, at least 5 metres (16 feet 4.85 inches) from any **existing structure** and at ground level, using bottled gas, and
- b) the vessel is attended at all times whilst the source of heat is lit and whilst in use, and
- c) a suitably sized spill tray is used which can hold the entire contents of the vessel, which is both non-combustible and which prevents the transfer of heat into surrounding items or structures.

### 3. Joint Code of Practice

This special condition applies where the total value of the original **contract** price and the **existing structure(s)** full rebuild value exceeds a combined total of £2,500,000.

**Your contractor(s)** undertake to comply with the Joint Code of Practice on the Protection from Fire of Construction Sites and Buildings Undergoing Renovation Ninth Edition dated October 2015 (hereinafter referred to as the Joint Code) or any legislation, regulation or code of practice which takes its place which is current at the commencement of the **contract** (as specified in the **policy**).

**Our** appointed representative shall have the right at all reasonable times to enter and inspect the **risk address** for the purpose of checking whether the conditions thereon in all respects comply with the Joint Code.

In the event that **we** become aware of a breach of the Joint Code **we** may inform the construction site management of the nature of the breach specifying the remedial measures **we** require and the period within which these must be completed.

Where **we** consider such a breach is of sufficient importance **we** may confirm the same by notice in writing to **you**. Under the terms of this or any subsequent notice **we** may suspend or cancel all cover under the **policy** from the date named in the notice not being a date earlier than the date named for completion of remedial measures it being understood that upon suspension such cover will be reinstated when **we** are satisfied that the remedial measures have been completed. Such notice shall be given by registered post, recorded delivery, facsimile transmission or by hand. This special condition shall not by itself be considered a condition precedent to **our** liability, but its inclusion shall not prejudice, waive or remove **our** rights under the terms of any other **policy** exclusions, conditions or special conditions.

## Special Conditions that apply to Escape of Water cover

The following special condition applies to all sections of the **policy**. If **you** fail to comply with any of the conditions this may affect the settlement of any escape of water claim under all sections of the **policy**.

### 1. Quality Control of New Water Supply Systems (and/or The Alteration of Existing Water Supply Systems)

If the **contract works** involve the installation of a new water supply system or the alteration of any existing water supply system, including the replacement, repair or maintenance of any apparatus within the system, then the **contractor(s)** must:

- a) pressure test all pipe work and apparatus forming part of, or attached to, the **contract works** in accordance with the manufacturer's guidelines.

Unless otherwise instructed by the manufacturer's guidelines, the pressure test should be subject to an initial air test followed by sectional hydraulic testing at a minimum of 1.5 times the working pressure for a minimum duration of two hours.

Following successful sectional pressure testing, full system pressure testing at the **risk address** should be carried out inclusive of all apparatus forming part of that system, in line with manufacturer's guidelines. A minimum test period of eight hours is required.

The results of each sectional and full system test should be recorded and retained.

The pressure tests should not be conducted when the **risk address** is unattended by personnel familiar with the system and competent to attend to any escape of water.

Following successful pressure tests, appropriate test certification should be issued and retained.

Copies of each test and any issued certification should also be made available to **us** if requested, and

- b) visually inspect all joints for a period of not less than two weeks after commissioning / charging the system. In areas where no visual examination is possible, the **contractor(s)** must employ alternate detection or examination methods at appropriate strategic points on the water supply system.

The results of each inspection should be recorded and retained for inspection by **us** if requested.

## Section 1 - The Property - Cover

The following cover applies only if the **schedule** shows that it is included.

### What is covered

**We** will insure **you** for **accidental damage** to the **risk address** occurring during the **period of insurance** to ensure **you** are returned to the same financial position as **you** were in immediately before such damage occurred subject always to the terms, conditions and exclusions of the **policy**.

### Other Interests

**We** will note the interest of any financial institution or **other party** with respect to this section of the **policy** as requested by **you** or **your contractor(s)** as soon as **we** have issued confirmation in writing of **our** acceptance.

### Insurance for Other Parties

Unless cover is otherwise restricted or extended the inclusion of the **other parties** as joint insured under section 1 applies to the extent required by any conditions of the **contract** applying between **you** and the **contractor(s)**. **We** retain rights of recourse at Law against negligent **other parties** in all other circumstances.

If the **other parties** shown in the **schedule** consist of more than one party, each operating as a separate and distinct entity and cover applies to them under **contract**, then the cover under the **policy** shall apply as if individual policies have been issued to each **other party**.

The total **we** will pay to **you** and all of the **other parties** collectively shall not exceed the **sum insured** shown in the **schedule** plus any limit shown under any special extension which applies and gives cover over and above the **sum insured** shown in the **schedule**.

Any payment or payments by **us** to **you** or any one or more **other party** shall reduce to the extent of that payment, the liability of **us** to **you** and all **other parties** covered by the **policy**, arising out of any one event giving rise to a claim under the **policy**.

**We** shall at all times be entitled to avoid liability to, or claim damages from **you** or any of the **other parties** in the event of a **vitiating act**.

Any **vitiating act** committed by **you** or any **other party** shall not prejudice the right of payment to **you** or any **other party** who has not committed a **vitiating act**.

**We** will waive all rights of subrogation which **we** may have or acquire against any **other party** except where the rights of subrogation or recourse are acquired in consequence of or otherwise following a **vitiating act** in which circumstances **we** may enforce such rights notwithstanding the continuing or former status of the vitiating party as an **other party**.

Any lenders to the project shall not be entitled to any payment under the **policy** arising from loss, destruction or damage in respect of which **we** by reason of a **vitiating act** are no longer liable to pay any one or more **other party**.

### How much we will pay

The full cost of repair, replacement or rebuilding of insured loss or damage up to the **sum insured** shown on the **schedule** plus any limit shown under any special extension which applies and gives cover over and above the **sum insured** shown in the **schedule**, subject to the repair, replacement or rebuilding work being carried out.

**We** may require **you** to carry out reinstatement or replacement. **Our** liability is subject to all the terms, conditions and exclusions of the **policy**.

After arriving at a claims settlement, **we** will deduct the applicable **excess** before paying the claim.

The basis of settlement is at **our** sole discretion.

**We** will not provide any contribution, allowance or consideration for the cost of extending, improving or refurbishing any part of the **risk address**.

**We** will not pay any costs which **we** have not agreed in writing, any expenses for preparing a claim or an estimate of loss or damage.

The most **we** will pay is the **sum insured** shown on the **schedule** less the **excess** shown on the **schedule** plus any limit shown under any special extension which applies and gives cover over and above the **sum insured** shown in the **schedule**.

## Section 1 - The Property - Special Extensions

### Special Extensions

#### What is additionally covered

##### 1 - Architects, Surveyors, Engineers Fees and Costs

We will pay **you** an additional 15% of the total **sum insured** in respect of architects, surveyors, consulting engineers, legal and other fees required to reinstate or replace the **risk address**, provided that **we** have approved the appointment of such persons.

##### 2 - Debris Clearance Fees and Costs

We will pay **you** an additional 15% of the total **sum insured** in respect of clearing debris from the **site** and making the **site** and **risk address** safe (to the extent it was made unsafe by the **accidental damage**).

##### 3 - Government or Local Authority Fees and Costs

We will pay **you** an additional 15% of the total **sum insured** in respect of complying with government or local authority requirements when repairing or reinstating **accidental damage** to the **risk address** including repairing or reinstating any **accidental damage** that does not comply with current government and local authority regulations as long as the **risk address** did comply with such regulations that were in force at the time the **risk address** was originally built.

##### 4 - Automatic Increase for Existing Structure

We will pay **you** up to 110% of the **sum insured** for the **existing structure** if, in the event of a loss, the rebuilding value exceeds the **sum insured** and it can be proven that the **sum insured** was correct at inception of the **policy** provided that **you** pay an additional premium for that extension at that time.

##### 5 - Automatic Increase for Contract Works

We will pay **you** up to 125% of the **sum insured** for **contract works** if during the **period of insurance** the original estimated **contract** price is increased above the original **sum insured** for **contract works** set at inception of the **policy**, provided **you** pay an additional premium as **we** advise at that time.

#### What is not covered by each Special Extension

We will not pay:

- a) fees and costs that are not the direct consequence of the **accidental damage**
  - b) fees and costs relating to undamaged parts of the **risk address**
  - c) fees and costs incurred in preparing **your** claim
  - d) costs for any requirements notified to **you** before the **accidental damage** occurred
- 
- a) fees and costs that are not the direct consequence of the **accidental damage**
  - b) fees and costs relating to undamaged parts of the **risk address**
  - c) fees and costs incurred in preparing **your** claim
  - d) costs for any requirements notified to **you** before the **accidental damage** occurred
- 
- a) fees and costs that are not the direct consequence of the **accidental damage**
  - b) fees and costs relating to undamaged parts of the **risk address**
  - c) fees and costs incurred in preparing **your** claim
  - d) costs for any requirements notified to **you** before the **accidental damage** occurred

## Section 1 - The Property - Special Extensions continued

### What is additionally covered

#### 6 - Advance Loss of Profits

We will pay **you** for financial losses incurred as a consequence of a delay in the anticipated commencement of commercial operations of the **contract works** as specified in the **schedule** arising from **accidental damage** to the **risk address** for which liability is admitted by **us** under section 1 of the **policy**.

#### Works Proviso

Cover under this special extension shall be conditional upon insurance being in force under section 1 of the **policy** and for which liability is admitted by **us** for physical loss of or damage to insured property under section 1.

If no payment shall have been made or liability admitted by **us** solely due to the operation of any **excess** applicable to section 1 of the **policy** or by virtue of the application of special extension '12 - Rectification Period' of section 1 of the **policy** then this proviso shall not apply.

#### Professional Accountants Charges

We shall pay the reasonable costs of professional accountants incurred by **you** to produce information required by **us** for the purpose of investigating or verifying any claim under this special extension.

Provided that professional accountants are regularly acting on behalf of **you** at the time of any claim.

#### Value Added Tax

To the extent that **you** are accountable to the tax authorities for Value Added Tax or similar tax all terms in this extension shall be exclusive of such tax.

### CONDITIONS APPLICABLE TO THIS SPECIAL EXTENSION

#### Auditors Records and Certificates

Any particulars or details contained in **your** books of account or other business books or documents which may be required by **us** for the purpose of investigating or verifying any claim hereunder may be produced or certified by **your** auditors and their certificate shall be prima facie evidence of the particulars and details of which such certificate relates.

#### Maintenance of Records

In the event of physical loss or damage to the **risk address** for which it is anticipated that a claim may be payable under this special extension the **contractor(s)** involved in the **contract works** shall be instructed by **you** to keep a record of the delays which the **accidental damage** to the **risk address** causes in completing the **contract works** and of the other causes (insured or uninsured) which affect the subsequent course of the completion of the **contract works** and of the steps taken to minimise the delays.

### What is not covered by each Special Extension

We will not pay:

- a) more than the actual financial loss sustained by **you**. The maximum amount we will pay is the lesser of:
  - £100,000 or
  - the loss of **anticipated profits** suffered by **you**
  - the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or reducing the loss of **anticipated profits** which but for the additional expenditure would have taken place during the **indemnity period** but not exceeding the amount of the reduction in **anticipated profits** thereby avoided
- b) for any sum saved during the **indemnity period** (that would have been payable out of **anticipated profits**) as may be reduced in consequence of the indemnifiable physical loss or damage.

#### Due Diligence

Loss of **anticipated profits** arising out of failure of **you** to use due diligence and dispatch and all reasonable means in order to resume the commercial operation of the **contract works** following indemnifiable physical loss or damage.

#### Deliberate Act of the Supplier

Loss of **anticipated profits** arising out of the deliberate act or omission of the electricity, gas, water or telecommunications utility supplier company or authority.

#### Non Availability of Funds

Loss of **anticipated profits** due to any delay caused by or resulting from the non-availability of funds.

## Section 1 - The Property - Special Extensions continued

### What is additionally covered

#### Multiple Causes of Delay

If more than one cause or event contributes to the overall period of delay in completion of the **contract works**, **our** liability under this special extension shall be limited to the cause or event indemnified under this special extension and shall be in the same proportion as the indemnifiable cause or event bears to the overall period of delay.

#### 7 - Automatic Reinstatement following a Claim

In return for an additional premium, to be calculated at a rate to be determined at **our** discretion, the amount **we** will pay for the **risk address** will not be reduced by the amount of any claim.

#### 8 - Expediting Expenses

**We** will pay for expenses reasonably incurred by **you** with **our** consent for overtime rates of wages and the cost of special delivery to avoid delay in completion of the **contract works** caused as a direct consequence of **accidental damage**.

The maximum **we** will pay under this special extension is 25% of the final agreed claim before the deduction of the **excess** and will be considered as being included within the **sums insured** for **contract works**.

#### 9 - Free Issue Materials

**We** will pay **you** for **accidental damage** to **free issue materials** as long as **you** declare to **us** the value of such **free issue materials** during the **period of insurance** and their value has been included within the total **sum insured** for **contract works**.

#### 10 - Plans and Specifications

**We** will pay **you** for **accidental damage** to plans or specifications of the **contract works** owned solely by **you** or for which **you** are legally responsible provided that:

- the cost of rewriting or redrawing plans or specifications is needed in order to complete the **contract works**
- the maximum **we** will pay under this special extension is 10% of the **sum insured** for **contract works** or £50,000 whichever is the lower and will be considered as being included within the **sum insured** for **contract works**.

### What is not covered by each Special Extension

**We** will not pay:

## Section 1 - The Property - Special Extensions continued

### What is additionally covered

#### 11 - Pollution Clean-up Costs

**We** will pay the clean-up costs of **your** land or property damaged by any kind of pollution or contamination occurring at the **risk address** provided that the pollution is a sudden, identified, unexpected and unforeseen accident which happens in its entirety at a specific moment of time during the **period of insurance** and a properly authorised body deems it necessary for clean-up action to be taken and paid for by **you**.

The maximum amount payable by **us** under this special extension is £100,000 and will be considered as being included within the **sum insured** for the **existing structure**.

#### 12 - Rectification Period

This special extension applies:

- when the issue of the certificate of completion or taking over certificate has occurred or when the **risk address** has been taken back into full use by **you**
- when the **contract** requires insurance for **accidental damage** to the **risk address** arising during any rectification, maintenance or defects liability period to be provided by **you**

**We** will insure **you** against any **accidental damage** to the **risk address** arising during any rectification, maintenance or defects liability period stipulated within the **contract**, even if this period falls outside of the **period of insurance**, for **accidental damage**:

- a) arising from any defect in the **contract works** originating after inception of the **policy** and prior to the commencement of the stipulated rectification, maintenance or defects liability period.
- b) caused by **your contractor(s)** in the course of any operations they carry out at the **site** for the purpose of remedying any defects in the **contract works** or otherwise fulfilling their obligations under the terms of the **contract**.

Provided that any cover provided by this special extension:

- i. shall not exceed a maximum of twelve (12) months in duration from the date of issue of the completion certificate or taking over certificate or when the **risk address** has been taken back into full use by **you** whichever is the earlier.
- ii. applies only to the extent that **your contractor(s)** are responsible under the terms of the **contract**.
- iii. shall not increase **our** liability beyond the amount payable as the **sum insured** specified in the **schedule**.

### What is not covered by each Special Extension

**We** will not pay:

- a) for **accidental damage**, costs or expenses in connection with any kind or description of seepage and/or pollution and/or contamination, arising from any cause whatsoever other than a sudden, identified, unexpected and unforeseen accident which happens in its entirety at a specific moment of time during the **period of insurance** and a properly authorised body deems it necessary for clean-up action to be taken and paid for by **you**.
- b) for pollution or contamination advised to **us** more than 6 months after the expiry of the **period of insurance**.

## Section 1 - The Property - Special Extensions continued

### What is additionally covered

#### 13 - Avoidance of Impending Accidental Damage

**We** will pay costs incurred by **you** in taking reasonable but exceptional measures to avoid or reduce impending **accidental damage** which would have resulted in a claim under the **policy**.

Provided that:

- a) the impending **accidental damage** did not arise from any defect in the insured property
- b) the impending **accidental damage** did not arise from a reasonably foreseeable cause
- c) the **accidental damage** would have been the natural outcome to be expected in the absence of the measures taken
- d) **we** are satisfied that **accidental damage** which would have been insured under the **policy** has been avoided or reduced as a result of the measures **you** have taken.

The amount payable will be considered as being included within the **sum insured** for section 1.

#### 14 - Breakdown

**We** will pay for the cost of electrical or mechanical breakdown or derangement to any new and unused apparatus, machinery or equipment forming part of the **contract works** occurring during the period:

- a) seven (7) days from the commencement of testing or commissioning of an individual item, and
- b) up to one (1) calendar month from the commencement of overall testing and commissioning at the **risk address**.

#### 15 - Offsite Storage

**We** will pay for the cost of **accidental damage** to materials and goods allocated for inclusion within the **contract works** whilst in store at any location within the United Kingdom, Channel Islands or Isle of Man other than the **risk address** provided:

- **you** and **your contractor(s)** are responsible for the materials and goods, and
- the materials and goods are / were ready for delivery to the **site**.

#### 16 – Trace and Access

**We** will pay for the costs incurred to find the source of an escape of:

- water, oil or gas from any domestic water or heating installation within the **risk address** including subsequent repairs to walls, floors and ceilings
- water from underground service pipes, cables, sewers and drains for which **you** are legally responsible outside the **risk address** but at the address shown on the **schedule**.

### What is not covered by each Special Extension

**We** will not pay:

- a) for **accidental damage**
  - i) to materials and goods held in storage for any period exceeding one month or
  - ii) where the total value of materials and goods in storage exceeds £250,000.
  
- a) more than £10,000 in any one **period of insurance**.

## Section 1 - The Property - Special Extensions continued

### What is additionally covered

#### 17 – VAT Extension

Following **accidental damage** insured by this **policy**, in the event that the **sum insured** provided for **contract works** is exceeded solely due to the inclusion of Value Added Tax, and it can be shown that the originally advised **sum insured** for **contract works** does not include a Value Added Tax amount, **your sum insured** for **contract works** will automatically be increased to the extent of the Value Added Tax applicable to the **contract works**, subject to a maximum of 20% of the **contract works sum insured** shown in the **schedule**. At the completion of the **contract works**, **you** will be required to declare to **us** the final **contract** value, including Value Added Tax, and **we** will adjust the premium charged accordingly against the last supplied **contract** value.

#### 18 – Fire Brigade Charges

The cover provided by the **policy** will pay for the cost of charges arising from the activities of the Fire Brigade in dealing with the consequences of loss or damage for which **we** have admitted liability.

### What is not covered by each Special Extension

**We** will not pay:

- a) costs of charges more than £10,000

## Section 1 - The Property - Exclusions

The following section 1 specific exclusions apply in addition to the General Exclusions.

### What is not covered

1. **Accidental damage** to the **risk address** (or any part thereof)

- a) in respect of which a certificate of completion or taking over certificate has been issued by **your contractor(s)**
- b) which has been completed and handed over to **you**

However where completed aspects are handed over to **you** during the **period of insurance** this exclusion shall not apply if the **existing structure** is insured under this insurance and where other phases of the **contract works** remain incomplete. Where this is the case:

- i) the **contract works sum insured** shall automatically be reduced by the amount of the **contract works** completed and handed over to **you**, and
- ii) the **existing structure sum insured** shall automatically be increased by the same amount of the reduction.

2. **Accidental damage** occurring 30 days after the **contractor(s)** has substantially ceased the **contract works** at the **risk address** (other than for normal stoppages at the end of the day at weekends or holidays) unless **you** have given **us** prior notice in writing with the details of **contract works** completed and outstanding, **you** have received **our** agreement to continue this insurance and **you** have agreed to accept any terms imposed by **us**.

3. **Accidental damage** by **subsidence** or **heave** of the **site** 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 **risk address** 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 **property** are damaged by the same cause and at the same time.

4. **Accidental damage** to property forming or which has formed part of any structure prior to the commencement of the **contract works** unless specifically insured under the **policy**.

5. Loss of property either by disappearance or by shortage if the loss is only revealed when an inventory is made or is not traceable to an identifiable event.

6. **Accidental damage** in respect of:

- a) money which term shall mean coin, bank and currency notes, cheques, travellers cheques, national giro payment orders, postal and money orders, current unused postage stamps, national savings stamps and certificates, premium bonds, luncheon vouchers, credit card and debit card vouchers, unused franking machine units, trading stamps, gift tokens, customer redemption vouchers, holiday with pay stamps, bankers drafts, promissory notes, bonds, securities, bills of exchange, dividend warrants, V.A.T. purchase invoices or other negotiable instruments
- b) any private car, van, lorry or other vehicle
- c) any airborne or waterborne craft or vessel.

7. Penalties or fines for delay, lack of performance, non-completion or non-compliance with the conditions of any contract or reimbursement of any financial agreements.

8. **Accidental damage** arising outside the **territorial limits**.

## Section 1 - The Property - Exclusions

9. **Accidental damage** caused by or consisting of:

- a) wear and tear, corrosion, oxidation, gradual deterioration, wet or dry rot, shrinkage, dampness, frost, marring or scratching
- b) normal upkeep or normal making good.

10. **Accidental damage** to the **contract works** arising from a defect in the **existing structure** that existed prior to the commencement of the **period of insurance**.

**You** are required to provide a report on the condition of the **existing structure** prior to the commencement of the **period of insurance**. If **you** fail to do so, the onus of proof will be on **you** to show that the damage did not occur as a result of a defect in the **existing structure** that was present prior to the commencement of the **period of insurance**.

## Section 2 - The Contents - Cover

The following cover applies only if the **schedule** shows that it is included.

**We** will insure **contents** under **your** care, custody or control for physical loss or damage caused by the numbered perils below occurring during the **period of insurance** to ensure **you** are returned to the same financial position as **you** were in immediately before such damage occurred subject always to the terms, conditions and exclusions of the **policy**.

### What is covered

1. fire, lightning, explosion or earthquake
2. aircraft and other flying devices or items dropped from them
3. storm, flood or weight of snow
4. escape of water from fixed water tanks, apparatus or pipes
5. escape of oil from a domestic fixed oil-fired heating installation or smoke damage caused by a fault in any fixed domestic heating installation
6. theft or attempted theft
7. collision by any vehicle or animal
8. any person taking part in a riot, violent disorder, strike, labour disturbance, civil commotion or acting maliciously
9. **subsidence** or **heave** of the **site** on which the **risk address** stands or **landslip**
10. falling trees, telegraph poles or lamp-posts

### What is not covered

**We** will not pay

- a) for **accidental damage** to property that is not situated within a building or other enclosed structure at the time of the **accidental damage**
- a) for **accidental damage** while the **property** is **unoccupied**
- a) for **accidental damage** caused by faulty workmanship
- b) for **accidental damage** while the **property** is **unoccupied**
- c) any amount over £50,000 for clean up costs following an escape of oil
- a) for **accidental damage** while the **property** is lent, let or sublet unless the loss or **accidental damage** follows breakage or damage to the **property** in the course of entry.
- b) for **accidental damage** while the **property** is **unoccupied**
- a) for **accidental damage** while the **property** is **unoccupied**
- a) for **accidental damage** by **subsidence** or **heave** of the **site** on which the **risk address** stands or **landslip**:
  - i) caused by or arising from impact and infill.
  - ii) caused by or arising from **settlement**.
  - iii) caused by or arising from riverbank or coastal erosion.
  - iv) caused by or arising from movement of solid floor slabs, unless the foundations beneath the exterior walls of the **risk address** are damaged by the same cause and at the same time.
- a) for **accidental damage** caused by trees being cut down or cut back within the **risk address**

## Section 2 - The Contents - Conditions that apply to this section only

### How much we will pay

1. If **you** claim for physical loss or damage to the **contents we** will at **our** option repair, replace or pay for any article covered under section 2.

For total loss or destruction of any **contents we** will pay **you** the cost of replacing the **contents** as new, as long as:

- the new **contents** are as close as possible to but not an improvement on the original **contents** when they were new, and
- **you** have paid or **we** have authorised the cost of replacement.

The above basis of settlement will not apply to:

- clothes
- pedal cycles

for which **we** will pay up to the value of the item at the time of loss or damage.

2. **We** will pay up to 50% of the cost of replacing any undamaged parts of the **contents** which form part of a pair, set, suite or part of a common design or function but no more than the **contents sum insured** shown in the **schedule**.

The basis of settlement is **our** sole discretion.

**We** will not pay more than the **sum insured** less the **excess** shown in the **schedule**.

### Your sum insured

1. **We** will not reduce the **sum insured** under section 2 after **we** have paid a claim as long as **you** agree to carry out **our** recommendations to prevent further loss or damage.
2. If **you** are under-insured, which means the cost of replacing or repairing the **contents** at the time of the loss or damage is more than **your sum insured** for the **contents**, then **we** will only pay a proportion of the claim.

For example if **your sum insured** only covers one half of the cost of replacing or repairing the **contents**, **we** will only pay one half of the cost of repair or replacement.

## Section 3 - Property Owners Liability - Cover

This section applies only if the **schedule** shows that it is included.

### What is covered

Cover under this section is granted to **you** only in respect of accidental **bodily injury** or **accidental damage**. There is no cover provided to **your contractor(s)** and no employers' liability provided by this insurance.

### How much we will pay

**We** will pay **you** up to the **sum insured** shown in the **schedule** for **your** legal liability to pay as damages all sums incurred by **you** during the **period of insurance** as a direct result of any accidental **bodily injury** or **accidental damage** to material property, trespass, nuisance or obstruction arising in connection with the **risk address** and/or the **contract works**.

**We** will in addition pay **costs and expenses** incurred by **you** arising from, but **we** will not pay for:

- a) fines, penalties or for damages intended only to punish or make an example of **you**.
- b) the cost of putting right any defect or alleged defect.

**Our** liability is subject to all of the exclusions and conditions of the **policy**.

All claims caused directly or indirectly by one accident will be treated as one claim. All pollution or contamination arising out of one accident will be treated as having happened at the time the accident took place.

After arriving at a claims settlement **we** will deduct the **excess** before paying the claim.

## Section 3 - Property Owners Liability - Special Extensions

### Cross Liabilities Clause

Where **you** are comprised of more than one party, any claim by one party of **you** against any **other party** of **you**, will be treated as though the party claiming is not an insured party provided that this is not deemed to increase the **sum insured**.

## Section 3 - Property Owners Liability - Exclusions

The following section 3 specific exclusions apply in addition to the General Exclusions.

### What is not covered

**We** will not pay for **your** liability arising:

1. from the ownership, possession, control, or use of mechanically or electrically propelled aircraft or watercraft, or to road vehicles or attached trailers where Road Traffic Act legislation applies, or on any public road outside Great Britain.
2. in respect of any loss, demand, claim or suit arising out of or related in any way to asbestos or asbestos-containing materials.
3. in respect of **accidental damage** to property
  - a) belonging to **you**, or
  - b) in the custody or control of **you** or **your** agent, or
  - c) that comprises the **risk address**.
4. under any contract or agreement unless **you** would have been liable had the contract not existed.
5. for the amount stated in the **schedule** in respect of the **excess** for 'Section 3 - Property Owners Liability' under the 'Policy Excesses' section. It is understood and agreed that:
  - a) this exclusion 5 does not apply to liability in respect of **bodily injury**
  - b) if any payment made by **us** that includes an amount for which **you** are responsible, this amount must be repaid to **us** as soon as practicably possible.
6. in respect of any **costs or expenses** claimed or incurred for replacing or making good faulty defective or incorrect:
  - a) workmanship
  - b) design, plan or specifications
  - c) materials goods or other property
7. in respect of **bodily injury** or **accidental damage** relating to anyone employed by **you** arising out of and in the course of employment by **you** at or adjacent to the **risk address** and/or as part of the **contract**.
8. for fines, liquidated damages or under any penalty clause or under any collateral warranty.
9. from pollution or contamination of air, water or soil unless such pollution or contamination was caused by a sudden, identified, unexpected and unforeseen accident which happens in its entirety at a specific moment of time during the **period of insurance** and a properly authorised body deems it necessary for clean-up action to be taken and paid by **you**.
10. for any goods or products sold, supplied, repaired, renovated, restored, tested or serviced by **you**.
11. out of any instruction, advice, information or professional service rendered for a fee
12. from a legal liability to a third party where there is absence of proven negligence by **you** or **your contractor(s)** unless **we** have extended the **policy** to include non negligence cover as stated in the **schedule**.
13. from any accident happening outside of the **territorial limits** and/or claims or legal proceedings brought or originating outside of the **territorial limits** for:
  - a) punitive or exemplary damages
  - b) any pollution, irritant or contaminant, or assessment or clean up of any pollution, irritant or contaminant.

## Section 4 - Legal Helpline

### 1. Legal Helpline

Use the 24 hour legal helpline advisory service for telephone advice on any private legal problem of concern to **you** or any member of **your** business.

The provider of the legal helpline advisory service is specified in the **schedule**.

Specialist lawyers are at hand to help **you** or if **you** need a lawyer or accountant to act for **you**.

Whilst this section does not provide legal expenses cover, the helpline may be able to offer **you** assistance under a private funding arrangement.

See 'Section 4 – Legal Helpline' on the **schedule** for contact details.

### 2. Law Assistance – Legal Document Service

As an addition to **your** legal helpline service, **you** have access to Law Assistance, an online legal document service.

This will provide **you** with:

- access to a range of free legal documents including wills
- a step by step walkthrough to assist **you** in completing the documents
- access to a variety of additional family law documents which **you** can try for free before purchasing

The service can be accessed by visiting [www.lawassistance.co.uk/la/arc](http://www.lawassistance.co.uk/la/arc) where **you** can register **your** details using the voucher code available from **your broker or insurance intermediary**.

Notes:





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