

Renovation

master

— *policy wording*

*renovation
underwriting*



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Important

This document provides details of your policy and the terms and conditions that apply.

Please read it carefully and keep it in a safe place.

About Renovation Underwriting Limited

Renovation Underwriting Limited is an appointed representative of Porterhouse Brokers LLP. Registered Office: 17 Church Street, St Neots, Cambridgeshire, PE19 2BU

Registered in England & Wales No. 11182758

Authorised and regulated by the Financial Conduct Authority, register number 804656.

Your policy with us

Thank **you** for buying this **policy** which is underwritten by Allianz Insurance plc. **we** are pleased that **you** have chosen **us** to provide insurance to meet **your** construction needs and **we** will work hard to ensure that **you** are happy with the cover and service **you** receive.

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

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

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

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

For Allianz Insurance plc:



Jonathan Dye
Chief Executive

Introduction

Headings and interpretation

Throughout **your policy**:

- (a) words or phrases which appear in **bold** text will have the same meanings as shown in the **policy** definitions on pages 11, 12, 13, 14, 15, 16 and 17.
- (b) headings used are for convenience only and shall have no effect upon the interpretation of **your policy**.
- (c) words which appear in the singular include the plural, where required by context, and vice versa.
- (d) verbs which appear in the present tense include the past tense, where required by context, and vice versa;
- (e) any words following the terms 'including', 'include', 'in particular', 'for example' or any similar expressions are examples and shall not limit the interpretation of the words or terms preceding those terms.

Arrangement of your policy

Thank you for choosing Renovation Underwriting Limited – Renovation Master Construction Insurance Policy.

This **policy** is administered by Renovation Underwriting Limited, an appointed representative of Porterhouse Brokers LLP Registered Office 17 Church Street, St. Neots, Cambridgeshire, PE19 2BU. Porterhouse Brokers LLP is registered in England and Wales OC354547. Porterhouse Brokers LLP is authorised and regulated by the Financial Conduct Authority (FCA), Financial Services Register number 541776.

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

Your insurer

The insurance provided to **you** by this **policy** is underwritten by Allianz Insurance plc. registered in England number 84638. Registered Office: 57 Ladymead, Guildford, Surrey, GU1 1DB, United Kingdom.

Allianz Insurance plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register number 121849.

Allianz Engineering, Construction & Power and Allianz Engineering are trading names used by Allianz Insurance plc.

How your insurance cover works

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

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

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

Law and Language Applicable

Unless otherwise agreed by **us**:

- (a) the language of the **policy** and all communications relating to it will be in English and
- (b) all aspects of the **policy** including negotiation and performance are subject to English law and the decisions of English courts.

Duration of your policy

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

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

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

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

Non standard construction and open trench works

Unless agreed otherwise, and stated in the **schedule**, please note that General Exclusions **17** and **18** respectively exclude:

- (a) **insured property** which is not of **standard construction**.
- (b) damage from any open trench work at a depth of 5 metres or more below the normal ground level surrounding the **site**.

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

How your insurance cover works

(continued)

Your information

you have a duty to take reasonable care to ensure all information **you** have provided relating to **your policy** is complete and accurate and that **you** have not provided **us** with any information **you** know is untrue or misleading. In issuing **your policy** **we** have relied on the information **you** gave **us**. **you**, or anyone acting for **you**, must tell **us** if any of the information **you** have provided in **your** answers to our questions either changes, becomes untrue or becomes misleading, as this may affect **your policy**. **you**, or anyone acting for **you**, should contact **us** if **you** are not sure what to tell **us**.

If **you** fail, or anyone acting for **you** fails to take reasonable care or **you** provide information that **you** know to be untrue or misleading **your policy** could be cancelled, or treated as if it never existed, or the **policy** could be treated as having been entered into on different terms to the terms set out in this **policy**.

If **you**, or anyone acting for **you**, deliberately or recklessly provides **us** with untrue or misleading information, any claim **you** make could be rejected or not fully paid and **you** may not be entitled to a refund of premium already paid by **you**.

Your rights to cancel your insurance

Cooling off period

At the start of **your** insurance, **you** have 14 days to check that **you** are happy with the insurance cover **you** have bought. If the cover does not meet **your** needs, **you** may cancel **your policy** by telling Renovation Underwriting Limited in writing and returning the **policy** documents. This 14 day period starts on the day **you** receive **your policy** documents or the date **your policy** starts whichever is the later. If **you** do cancel within 14 days, **we** will refund all of the premium **you** have paid except where **you** have made a claim or an instance that may lead to a claim has occurred during the period of cover already provided in which case the full premium for the entire **period of insurance** may be payable.

More than 14 days

If **you** have not made a claim **you** may cancel **your policy** at any time during the **policy period of insurance**, by telling Renovation Underwriting Limited in writing and giving 14 days notice. When **we** receive **your** notice **we** will arrange to cancel **your policy** and calculate a refund which will be calculated on a daily pro-rated basis equivalent to the period of cover left unused. If the amount due to **us** is more than the amount **you** have previously paid, **you** must pay **us** the difference.

you can exercise **your** right to cancel by writing to Renovation Underwriting Limited at:

Renovation Underwriting Limited
17 Church Street,
St. Neots, Cambridgeshire, PE19 2BU

Tel: 0333 358 0006

How your insurance cover works

(continued)

Our rights to cancel your insurance

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

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

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

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

Our right to survey

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

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

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

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

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

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

Contract (Rights of Third Parties) Act 1999

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

How your insurance cover works

(continued)

Our regulators

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

FCA contact details:

Telephone: +44 (0) 800 111 6768

Website: www.fca.org.uk

What happens if we cannot meet our liabilities

Financial Services Compensation Scheme

The **insurer** is a member of the Financial Services Compensation Scheme, **you** may be entitled to compensation from this scheme if the **insurer** cannot meet its liabilities.

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

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

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

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

Telephone: 0800 678 1100 or 0207 741 4100

Email: enquiries@fscs.org.uk

Customer service

What to do if you are not satisfied

Service from Renovation Underwriting Limited

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

Renovation Underwriting Limited will always acknowledge receipt of **your** complaint within five (5) working days and will attempt to resolve the problem within four (4) weeks. If not, Renovation Underwriting Limited will let **you** know when an answer may be expected.

If **your** complaint has not been resolved within eight (8) weeks Renovation Underwriting Limited will provide **you** with information about the Financial Ombudsman Service (details provided on the next page) who are able to offer a free and independent service for resolving disputes about most financial matters and issues.

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

Renovation Underwriting Limited
17 Church Street,
St. Neots, Cambridgeshire, PE19 2BU

Telephone: 0333 358 0006.

Email: info@renovationunderwriting.com

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

Service from your insurance intermediary

If **your** complaint relates to the service provided by **your** insurance intermediary or the person who arranged **your policy** for **you**, Renovation Underwriting Limited will pass the details on to them and will monitor the progress of their investigations.

Customer service

(continued)

What to do if you are not satisfied (continued)

Service from your insurer

Any complaints that **we** are required to resolve will be passed on to **us** by Renovation Underwriting Limited who will advise **you** that this has happened and **we** will let **you** and Renovation Underwriting Limited know the progress of our investigations.

we will always confirm to **you** the receipt of **your** complaint within five working days and do **our** best to resolve the problem within four weeks. If **we** cannot **we** will let **you** know when an answer may be expected.

If **we** have not resolved the situation within eight weeks **we** will provide **you** with information about the Financial Ombudsman Service which offers a free, independent complaint resolution service.

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

The Customer Satisfaction Manager, Allianz Engineering, Head Office, Haslemere Road, Liphook, Hampshire GU30 7UN, UK

Telephone: + 44 (0) 1428 722407

Fax: + 44 (0) 1428 724824

E-mail: customer.satisfaction@allianz.co.uk

If the complaint is about the service **you** have received from **us**, **we** will tell **you** who is dealing with **your** complaint. This individual will have been fully trained to deal with the matter in an objective manner.

You have the right to refer your complaint to the Financial Ombudsman, free of charge – but you must do so within six months of the date of the final response letter.

If **you** do not refer **your** complaint in time, the Ombudsman will not have **our** permission to consider **your** complaint and so will only be able to do so in very limited circumstances. For example, if the Ombudsman believes that the delay was as a result of exceptional circumstances.

The Financial Ombudsman Service can be contacted at:

The Financial Ombudsman Service, Exchange Tower, London E14 9SR

Telephone: 0800 0234 567 free for people phoning from a "fixed line" (for example, a landline at home) or 0300 1239 123 free for mobile-phone users who pay a monthly charge for calls to numbers starting with 01 or 02.

Email: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

The Ombudsman will only consider **your** complaint if **you** have already given **us**, Renovation Underwriting Limited or **your** insurance intermediary the opportunity to resolve it.

Using the complaints procedure above or referral to the Financial Ombudsman Service does not affect **your** legal rights.

The European Commission has an online dispute resolution service for consumers who have a complaint about a product or service bought online. If **you** choose to submit **your** complaint this way it will be forwarded to the Financial Ombudsman Service.

Visit <https://ec.europa.eu/odr> to access the Online Dispute Resolution Service.

Please quote our e-mail address: customer.satisfaction@allianz.co.uk

Alternatively, **you** can contact the Financial Ombudsman Service directly.

Fair Processing Notice – how we use personal information

1. Who we are

When **we** refer to “**we**”, “**us**” and “**our**” in this notice it means Allianz Insurance plc or Allianz Engineering Inspection Services Limited.

When **we** say, “**individuals**” in this notice, **we** mean anyone whose personal information **we** may collect, including:

- anyone seeking an insurance quote from **us** or whose details are provided during the quotation process
- policyholders and anyone named on or covered by the policy
- anyone who may benefit from or be directly involved in the policy or a claim, including claimants and witnesses.

2. How we use personal information

We use personal information in the following ways:

- to provide quotes, administer policies and policyholder claims to fulfil **our** contract
- to administer third party claims and prevent financial crime to meet **our** legal obligations
- to manage **our** business and conduct market research to meet the legitimate needs of **our** business
- to send marketing information about **our** products and services if **we** have received specific consent.

There is no obligation to provide **us** with personal information, but **we** cannot provide **our** products and services without it.

Anyone whose personal information we hold has the right to object to us using it.

They can do this at any time by telling us and we will consider the request and either stop using their personal information or explain why we are not able to.

Further details can be found below.

3. Automated decision making, including profiling

We may use automated decision making, including profiling, to assess insurance risks and administer policies. This helps **us** decide whether to offer insurance, determine prices and validate claims.

Anyone subject to an automated decision has the right to object to it. To do so they should contact **us** by emailing **us** at accasm@allianz.co.uk and **we** will review the decision.

4. The personal information we collect

We collect the following types of personal information so **we** can complete the activities in section 2, “How **we** use personal information”:

- basic personal details such as name, age, address and gender
- family, lifestyle and social circumstances, such as marital status, dependants and employment type
- financial details such as direct debit or payment card information
- photographs and/or video to help **us** manage policies and assess claims
- tracking and location information if it is relevant to the insurance policy or claim
- identification checks and background insurance risk details including previous claims information
- medical information if it is relevant to the insurance policy or claim
- criminal convictions if it is relevant to the insurance policy or claim
- accessibility details if **we** need to make reasonable adjustments to help
- business activities such as goods and services offered.

Fair Processing Notice – how we use personal information

(continued)

5. Where we collect personal information

Direct from **individuals**, their representatives or information they have made public, for example, on social media.

From other persons or organisations, for example:

- credit reference and/or fraud prevention agencies
- emergency services, law enforcement agencies, medical and legal practices
- insurance industry registers and databases used to detect and prevent insurance fraud, for example, the Motor Insurance Database (MID), the Motor Insurers Anti-Fraud and Theft Register (MIAFTR) and the Claims and Underwriting Exchange (CUE)
- insurance investigators and claims service providers
- other insurers or service providers who underwrite the insurance or provide the services for **our** products
- other involved parties, for example, claimants or witnesses.

6. Sharing personal information

We may share personal information with:

- other companies within the global Allianz Group www.allianz.com
- credit reference, fraud prevention and other agencies that carry out certain activities on **our** behalf, for example, the Motor Insurance Database (MID), the Insurance Fraud Bureau (IFB) and marketing agencies if agreed
- **our** approved suppliers to help deal with claims or provide **our** benefit services, for example, vehicle repairers, legal advisors and loss adjusters
- other insurers, third party underwriters, reinsurers, insurance intermediaries, regulators, law enforcement and the Financial Ombudsman Service (FOS); and other companies that provide services to **us** or **you**, for example, the Employers Liability Tracing Office (ELTO) and the Claims and Underwriting Exchange (CUE)
- prospective buyers in the event that **we** wish to sell all or part of **our** business.

7. Transferring personal information outside the UK

We use servers located in the European Union (EU) to store personal information where it is protected by laws equivalent to those in the UK.

We may transfer personal information to other members of the global Allianz Group to manage the insurance policy or claim; this could be inside or outside the EU. **We** have Binding Corporate Rules (BCR's) which are **our** commitment to the same high level of protection for personal information regardless of where it is processed. These rules align with those required by the European Information Protection authorities. For more information about BCR's, contact **our** Data Protection Officer.

Some of **our** suppliers have servers outside the EU. **Our** contracts with these suppliers require them to provide equivalent levels of protection for personal information.

8. How long we keep personal information

We keep information only for as long as **we** need it to administer the policy, manage **our** business or as required by law or contract.

Fair Processing Notice – how we use personal information

(continued)

9. Know your rights

Any **individual** whose personal information **we** hold has the right to:

- object to **us** processing it. **We** will either agree to stop processing or explain why **we** are unable to (the right to object)
- ask for a copy of their personal information **we** hold, subject to certain exemptions (a data subject access request)
- ask **us** to update or correct their personal information to ensure its accuracy (the right of rectification)
- ask **us** to delete their personal information from **our** records if it is no longer needed for the original purpose (the right to be forgotten)
- ask **us** to restrict the processing of their personal information in certain circumstances (the right of restriction)
- ask for a copy of their personal information, so it can be used for their own purposes (the right to data portability)
- complain if they feel their personal information has been mishandled. **We** encourage **individuals** to come to **us** in the first instance but they are entitled to complain directly to the Information Commissioner’s Office (ICO) www.ico.org.uk
- ask **us**, at any time, to stop processing their personal information, if the processing is based only on **individual** consent (the right to withdraw consent).

If you wish to exercise any of these rights please contact our Customer Satisfaction Manager:

Address: Customer Satisfaction Manager, Allianz, 57 Ladymead, Guildford, Surrey, GU1 1DB

Email: accsm@allianz.co.uk

Phone: 01483 552438

10. Allianz (UK) Group Data Protection Officer Contact details

Allianz Insurance plc and Allianz Engineering Inspection Services Limited are companies within the Allianz Holdings.

Any queries about how **we** use personal information should be addressed to **our** Data Protection Officer:

Address: Data Protection Officer, Allianz, 57 Ladymead, Guildford, Surrey GU1 1DB

Email: dataprotectionofficer@allianz.co.uk

Phone: 0330 102 1837

Changes to our Fair Processing Notice

Occasionally it may be necessary to make changes to this fair processing notice. When that happens **we** will provide an updated version at the earliest opportunity. The most recent version will always be available on **our** website www.allianz.co.uk.

Consent for Special Categories of Personal Data

The global Allianz Group may need to collect and process data relating to **individuals** who may benefit from the policy (“Insured Persons”), which falls within the special categories of personal data under Data Protection Legislation, for example, medical history or convictions of Insured Persons for the purpose of evaluating the risk and/or administering claims which may occur. You must ensure that you have explicit verbal or written consent from the Insured Persons to such information being processed by the global Allianz Group and that this fact is made known to the Insured Persons.

By applying for and/or entering into this insurance policy you will be deemed to specifically consent to the use of the Insured Persons Personal Data in this way and for these purposes and that your directors, officers, partners, and employees have consented to the global Allianz Group using their details in this way.

How to make a claim

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

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

When making a claim, it is very important that **you** comply with all of the requirements of **your policy**, particularly Claims Condition **1** - 'Claims Notification and Requirements & Claims Settlement'. Failure to do so may mean that **your** claim, or a part of **your** claim, will not be paid.

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

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

you or anyone acting for **you**, can notify Renovation Underwriting Limited by telephone on 0333 358 0006.

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

Allianz Engineering
Claims Department
Haslemere Road
Liphook
Hampshire
GU30 7UN

Telephone: + 44 (0) 1483 265825

Fax: + 44 (0) 870 060 5329

E-mail: claims@allianzengineering.co.uk

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

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

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

General Definitions

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

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

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

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

additional loan interest

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

anticipated date of commencement of commercial operations

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

anticipated rental income

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

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

asbestos

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

asbestos containing materials

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

asbestos dust

fibres or particles of **asbestos**.

average (underinsurance)

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

business

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

General Definitions

(continued)

contract

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

construction period

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

The construction period shall end upon:

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

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

contract works

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

computer attack

any malicious direction of network traffic, introduction of malicious computer code, or other malicious attack directed at, occurring within, or utilising the computer system or network of whatsoever nature.

electronic and digital data

data of any kind including, but not limited to, facts, concepts, or other information in a form usable by computers or other electronic or electromagnetic data processing equipment. electronic and digital data shall also include computer software and all other coded instructions for the processing or manipulation of data on any equipment.

employer

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

endorsements

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

excess

The amount for which **you** are responsible as the first part of any agreed claim as stated in the **schedule**.

General Definitions

(continued)

existing structures

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

existing structures does not include:

- (a) unless **you** have legal responsibility for them;
 - (i) telephone, gas, water and electricity meters, pipes, cables and the like;
 - (ii) drains, sewers or water courses and any cost in cleaning or making good;
- (b) gates or fences;
- (c) moveable property in the open other than materials being recycled or recovered from the existing structure for re use in the works.

franchise

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

free Issue materials

unfixed materials and goods supplied by **you** for incorporation into the **contract works** and for which **you** are responsible, but which have not been included in the final valuation of the **contract works**, the total value of which must be included in any declaration made in respect of General Condition 5 Premium Adjustment Clause of this **policy**.

heave

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

hired in plant

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

or similar contractors plant and equipment hired in by **you**, or hired in plant specifically described in the **schedule** against Section 3 – **hired in plant**.

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

household contents

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

injury

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

General Definitions

(continued)

indemnity period

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

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

insured property

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

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

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

insured event

any loss or damage other than loss or damage due to or caused by malicious persons.

interbank lending rate

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

interest on tied capital

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

landslip

downward movement of sloping ground.

limit of liability

the maximum amount stated in the **schedule** which **we** will be liable to pay as compensation.

market value

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

maximum indemnity period

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

General Definitions

(continued)

offshore installations

- (a) any installation in the sea or tidal waters which is intended for underwater exploitation of mineral resources or exploration with a view to such exploitation.
- (b) any installation in the sea or tidal waters which is intended for the storage or recovery of gas.
- (c) any pipe or system of pipes in the sea or tidal waters.
- (d) any installation which is intended to provide accommodation for the persons who work on or from the locations specified in (a), (b) or (c) above.

original estimated contract price

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

other insured parties

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

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

owned plant

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

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

period of insurance

the period from the effective date to the expiry date as shown in the **schedule** or to the date of **practical completion** whichever comes first.

person employed

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

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

General Definitions

(continued)

policy

the contract of insurance includes this document, **your schedule**, any **endorsement(s)** and any proposal made by **you** or on **your** behalf to **us** (whether or not such proposal is recorded in writing).

practical completion

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

project

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

rebuild cost

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

rectification period

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

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

rental income

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

schedule

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

settlement

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

site

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

site materials

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

standard construction

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

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

General Definitions

(continued)

sub limit

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

subsidence

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

sum insured

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

temporary works

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

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

territorial limits

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

testing and commissioning period

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

time exclusion

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

transit

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

we/us/our/insurer

Allianz Insurance plc.

you/your/yours

the policyholder named in the **schedule**.

Section 1: Contract Works and Existing Structures

What Is Covered

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

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

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

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

How Much We Will Pay

we will not pay more than:

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

Cover One - the lesser of:

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

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

Cover Two - the lesser of:

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

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

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

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

Section 1: Contract Works and Existing Structures

(continued)

Additional Covers applying only to Section 1

Section 1 is extended to include the following Additional Covers and, unless otherwise stated in the **schedule**, any **sub limits** are provided in addition to the **sum insured** and shall be reduced by the amount of any paid claim,

1. Plans and Documents

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

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

2. Rectification Period

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

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

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

3. Dismantling or Demolition

we will pay for:

- (a) the cost necessarily incurred in respect of:
 - (i) removal of debris,
 - (ii) dismantling or demolition,
 - (iii) shoring or propping up,
 - (iv) clearance of drains and sewers,
 - (v) dewatering,
 resulting from physical loss of or damage insured under Section 1, and for which cover is provided by this **policy**.
- (b) the cost of removal of debris arising from unauthorised tipping or inundation of the **site**, but only occurring after commencement of the **contract**.

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

4. Loss Avoidance Measures

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

Provided that:

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

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

Section 1: Contract Works and Existing Structures

(continued)

Additional Covers applying only to Section 1

Section 1 is extended to include the following Additional Covers and, unless otherwise stated in the **schedule**, any **sub limits** are provided in addition to the **sum insured** and shall be reduced by the amount of any paid claim,

5. Expediting Cost

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

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

6. Off Site Storage

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

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

7. Local Authorities Clause

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

Provided that

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

we will not pay for:

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

8. Architects Surveyors and Consulting Engineers Fees

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

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

9. Trace and Access

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

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

Section 1: Contract Works and Existing Structures

(continued)

Additional Covers applying only to Section 1

Section 1 is extended to include the following Additional Covers and, unless otherwise stated in the **schedule**, any **sub limits** are provided in addition to the **sum insured** and shall be reduced by the amount of any paid claim,

10. Alternative Accommodation

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

we will not pay:

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

11. Fire Brigade Charges

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

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

12. Breakdown or Explosion

we will pay for the cost of physical loss of or damage to new and unused machinery forming part of the **contract works** caused by electrical or mechanical breakdown or explosion.

This additional cover shall continue for a period of

- (a) seven days from the commencement of testing of an individual item and
- (b) one calendar month from the commencement of commissioning.

Section 1: Contract Works and Existing Structures

(continued)

Exclusions applying only to Section 1

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

1. Partial Completion

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

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

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

Provided that:

- (i) the **contract works sum insured** will automatically be reduced by the amount of the **contract works** completed and handed over to **you** and the **existing structures sum insured** will automatically be increased by the amount of **contract works** completed and handed over to **you**.
- (ii) the process of reduction and increase in **sum insured** detailed in (i) above will continue until all of the **contract works** are completed and:
 - 1. the **existing structure** is fully restored to **your** control, or,
 - 2. alternative insurance has been arranged, whichever occurs first.
- (iii) in consequence of this Exclusion, **our** liability will:
 - 1. not be increased in any way and for the avoidance of doubt, under no circumstances will **we** pay more than the **sum(s) insured** stated in the **schedule**.
 - 2. cease on expiry of the **period of insurance**.

2. Defective Design, Materials, or Workmanship

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

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

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

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

Section 1: Contract Works and Existing Structures

(continued)

Exclusions applying only to Section 1

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

3. Non-Ferrous Metals

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

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

4. Subsidence, Heave or Landslip

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

- (a) to swimming pools, hot tubs, tennis courts, service tanks, central heating oil tanks, ground source heating pumps, terraces, paths, drives, walls, fences, gates and hedges unless the **site** is damaged by the same cause and at the same time.
- (b) caused by or arising from impact and infill.
- (c) caused by or arising from **settlement**.
- (d) caused by or arising from riverbank or coastal erosion.
- (e) caused by or arising from any movement of solid floor slabs, unless the foundations beneath the exterior walls of the **project** are damaged by the same cause and at the same time.

5. Breakdown or Explosion

we do not cover physical loss of or damage to any part of the **contract works** caused by its own electrical or mechanical breakdown or explosion other than provided under Section 1 Additional Cover **12** Breakdown or Explosion.

Section 2: Owned Plant

What Is Covered

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

How Much We Will Pay

we will not pay more than:

- (a) in respect any one loss, or series of losses arising from any one occurrence, to **owned plant** which at the time of the occurrence of the physical loss or damage is:
 - (i) more than one year old; the **market value** of the item(s) concerned at the time of the physical loss or damage;
 - (ii) one year old or less; the cost of reinstatement which shall mean, where repair is:
 - 1. uneconomic or impractical, **we** will agree replacement by new property of equal performance or capacity or, if this is impossible, its replacement by new property having the nearest higher performance or capacity to the **owned plant** physically lost or damaged,
 - 2. economic and practical, **we** will agree restoration of the damaged portion of the **owned plant** to a condition substantially the same as but not better or more extensive than its condition when new.

Provided that:

- (A) reinstatement is carried out without delay and in the most economical manner.
 - (B) where any **owned plant** is physically damaged or lost in part only the amount **we** will pay will not exceed the cost of reinstatement had it been wholly lost.
 - (C) **we** reserve the right to make no payment until reinstatement has been carried out.
 - (D) the amount **we** pay will not exceed the new replacement value of the **owned plant** physically lost or damaged.
 - (E) if reinstatement is not carried out the amount **we** pay will not exceed the **market value** of the item(s) subject to the cost not exceeding the cost of reinstatement.
- (b) the **sum insured** together with any other stated financial limit(s) stated in the **schedule** for this Section irrespective of the number of losses or claims notified.

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

Section 2: Owned Plant

(continued)

Additional Cover applying only to Section 2

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

1. Immobilised Plant

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

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

2. Contents of Site Huts

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

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

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

Conditions applying only to Section 2

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

1. Losses from Vehicles Limitation

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

Section 2: Owned Plant

(continued)

Exclusions applying only to Section 2

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

1. Excluded Parts

we do not cover physical loss of or damage to:

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

2. Plant Hired Out

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

3. Breakdown or Explosion

we do not cover physical loss of or damage to **owned plant** caused by its own electrical or mechanical breakdown or its own explosion.

Section 3: Hired in Plant

What is Covered

This Section insures **your** legally liability under the terms of a hiring agreement to pay

- (a) for physical loss of or damage to **hired in plant**,
- (b) continuing hiring charges for **hired in plant** following physical loss or damage insured under (a) above, occurring during the **period of insurance**, whilst used in performance of the **contract works** anywhere within the **territorial limits** including whilst in **transit**.

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

How Much We Will Pay

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

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

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

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

Section 3: Hired in Plant

(continued)

Additional Covers applying only to Section 3

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

1. Immobilised Plant

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

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

2. Contents of Site Huts

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

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

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

Conditions applying only to Section 3

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

1. Losses from Vehicles Limitation

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

Section 3: Hired in Plant

(continued)

Exclusions applying only to Section 3

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

1. Excluded Parts

we do not cover loss of or damage to:

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

Section 4: Property Owners Liability

What is Covered

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

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

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

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

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

Limit of Liability

our liability for all compensation payable in respect of:

- (a) any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause
- (b) all **pollution or contamination** which is deemed to have occurred during any one **period of insurance** shall not exceed the **limit of liability** stated in the **schedule** for this Section.

Definition

pollution or contamination

For the purposes of Section 4 **pollution or contamination** shall mean:

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

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

Section 4: Property Owners Liability

(continued)

Additional Cover applying only to Section 4

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

1. Compensation for Court Attendance

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

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

Conditions applying only to Section 4

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

1. Discharge of Liability

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

Section 4: Property Owners Liability

(continued)

Exclusions applying only to Section 4

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

we do not provide any cover for legal liability:

1. Use of Vehicles Aircraft and Waterborne Craft

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

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

2. Persons Employed

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

3. Property in Your Charge or Control

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

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

4. Pollution or Contamination

arising directly or indirectly in respect of:

- (a) **pollution or contamination** occurring in the United States of America or Canada or any dependency or trust territory
- (b) **pollution or contamination** occurring elsewhere unless caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific time and place during the **period of insurance**.

5. Advice or Service Provided

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

Section 4: Property Owners Liability

(continued)

Exclusions applying only to Section 4

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

we do not provide any cover for legal liability:

6. Damage to Goods Supplied

in respect of:

- (a) loss of or damage to any goods or other property sold supplied delivered installed or erected by or on behalf of **you**.
- (b) all costs of or arising from the need for reinstatement making good removal repair rectification replacement or recall of:
 - (i) any such goods or property,
 - (ii) any defective work executed by or on behalf of **you**,

except that (a) and (b) (i) above shall not apply to liability in respect of loss of or damage to the said goods or property if such loss or damage is caused by or arises from any alteration repair or servicing work executed by **you** under a separate contract.

7. Asbestos or Asbestos Containing Materials

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

8. Fines, Penalties Liquidated and Punitive Damages

in respect of:

- (a) fines, penalties or liquidated damages.
- (b) punitive exemplary or aggravated damages and/or any additional damages resulting from multiplication of compensatory damages.
- (c) compensation ordered or awarded by any Court of Criminal Jurisdiction.

9. Contract Works and JCT Clause 6.5.1 (Non Negligent Liability)

in respect of loss of or damage to any property:

- (a) comprising or to be incorporated in the **contract works** in respect of any contract undertaken by **you**.
- (b) against which **you** are required to effect insurance under the terms of Clause 6.5.1 of the JCT Conditions of Contract or of any other contract condition requiring insurance of a like kind.

10. Work on Offshore Installations

in respect of **injury** loss or damage arising in connection with work on or travel to or from **offshore installations**.

Section 5: Non Negligent Liability

What is Covered

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

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

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

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

Limit of Liability

our liability for all sums payable in respect of all expenses liabilities losses claims or proceedings arising from:

- (a) any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause
- (b) all **pollution or contamination** which is deemed to have occurred during any one **period of insurance**

shall not exceed the **limit of liability** stated in the **schedule** for this Section.

Definition

pollution or contamination

For the purposes of Section 5 **pollution or contamination** shall mean:

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

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

Conditions applying only to Section 5

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

1. Discharge of Liability

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

Section 5: Non Negligent Liability

(continued)

Exclusions applying only to Section 5

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

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

1. Contracts or Agreements

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

2. Negligence

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

3. Errors and Omissions

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

4. Inevitable Damage

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

5. Fines, Penalties, Liquidated or Punitive Damages

in respect of:

- (a) fines, penalties or liquidated damages.
- (b) punitive exemplary or aggravated damages and/or any additional damages resulting from multiplication of compensatory damages.

6. Other Insurance

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

7. Damage to the Project

arising from damage to any work executed in connection with the **project** or to any materials plant tools equipment temporary works temporary buildings or any other property brought onto **site** of the **project** for the purpose of the execution of the **project**.

Section 6: Advanced Loss of Rent and Loss of Interest

What is Covered

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

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

(a) Cover Option One – advanced loss of rent

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

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

(b) Cover Option Two – loss of interest

- Item **(i)** **additional loan interest** and/or increased cost of working and / or;
- Item **(ii)** **interest on tied capital** and/or increased cost of working

incurred during the **indemnity period** but excluding any amounts:

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

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

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

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

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

Section 6: Advanced Loss of Rent and Loss of Interest

(continued)

How Much We Will Pay

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

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

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

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

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

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

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

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

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

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

2. the **sum insured** together with any other stated financial limit(s) stated in the **schedule** for this Section. Unless otherwise stated in the **schedule**, the **sum(s) insured** will be reduced by the amount of any insured claim.

Additional Cover applying only to Section 6

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

1. Professionals Fees

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

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

Section 6: Advanced Loss of Rent and Loss of Interest

(continued)

Conditions applying only to Section 6

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

1. Schedule of Contract Works

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

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

2. Record Keeping

in the event of physical loss or damage occurring to **insured property** under Section 1 – Contract Works and Existing Structures which may reasonably be expected to result in a claim under this Section, **you** must keep a record of:

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

3. Occupation of the contract works and existing structures

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

Section 6: Advanced Loss of Rent and Loss of Interest

(continued)

Exclusions applying only to Section 6

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

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

1. Inevitable Damage, Cost and Financial Losses

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

2. Early Completion – Expediting the Completion of the Project

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

3. Redesign, Alteration, Addition and Improvement

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

4. Insufficient Funds

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

5. Time Exclusion

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

General Additional Covers

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

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

1. Multiple Insureds Cover

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

- (a) General Condition 1 Multiple Insured Requirements is complied with in full.
- (b) if there is more than one party, each operating as a separate and distinct entity, then (except as provided in this Multiple Insureds Clause) cover shall apply in the same manner and to the same extent as if individual policies had been issued to each party.
- (c) the **schedule** specifies that the Section cover is applicable to the insured party.

2. Pollution or Contamination

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

Provided that:

- (a) this Additional Cover shall not apply to Section 4 of this **policy**.
- (b) for the purposes of this Additional Cover only, General Exclusion **9** is deleted and of no further effect.

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

General Conditions

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

1. Multiple Insured Requirements

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

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

It is however agreed that:

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

2. Your Duty to Prevent Loss or Damage

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

3. Payments on Account / Interim Payments

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

4. Precautions

It is a condition precedent to **our** liability that **you** must exercise due diligence in:

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

General Conditions

(continued)

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

5. Premium Adjustment Clause

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

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

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

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

6. Dual Lifting Operations

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

7. Plumbing Checking Requirement

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

8. Existing Structure – requirements for unattended premises

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

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

9. Home Survey Report and Pre-existing Defects

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

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

General Conditions

(continued)

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

10. 72 Hour Clause

where physical loss or damage occurs to the **insured property** on **site** during any one period of 72 consecutive hours caused by storm, tempest, flood or earthquake, it shall be deemed to be a single event and therefore constitute one loss with regard to this **policy**, its terms Conditions and Exclusions, and the application of the **excess** as detailed in Exclusion 1.

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

11. Fire Precautions

the following precautions shall be complied with by **you your** employees or by **your** subcontractors whenever carrying out any work involving the application of heat or use of angle grinders or disc cutters and no liability shall attach to us unless these precautions have been complied with:

- (a) when blow torches blow lamps or electric oxy-acetylene or other welding or flame-cutting equipment hot air guns angle grinders or disc cutters are to be used:
 - (i) a thorough examination of the immediate vicinity of the work (including the area of work itself and including the area on the other side of any wall or partition) shall be made to see whether any combustible material is in danger of ignition either directly and/or by conduction of heat and a record of inspection kept
 - (ii) all movable and combustible materials (including materials to be worked upon or which have been worked upon and to the greatest extent practicable any material in the course of being worked upon) shall be removed from the immediate vicinity of the work (to a distance of not less than fifteen metres from the point of application of use when electric oxy-acetylene or other welding or flame cutting equipment angle grinders or disc cutters are to be used)
 - (iii) all combustible materials which cannot be moved (including materials to be worked upon or which have been worked upon and to the greatest extent practicable any material in the course of being worked upon) shall be covered and fully protected by overlapping sheets or screens of non-combustible material
- (b) there shall be available for immediate use at the site of the work either:
 - (i) two portable multi-purpose dry powder fire extinguishers to European standard BS EN 3 or British Standard BS5423 with a minimum capacity of 4.0 kilograms each and serviced in accordance with BS 5306-3 or
 - (ii) a hydraulic hose reel provided the situation is one where water would not aggravate a fire or explosion
- (c) the lighting of all blow lamps blow torches welding and cutting equipment carried out strictly in accordance with manufacturer's instructions and no piece of lighted equipment shall be left unattended
- (d) where the equipment involves the use of gas cylinders those not required for immediate use shall be kept outside the building in which the work is taking place (and in any event at least 15 metres from the point of application of heat or use of angle grinders or disc cutters)
- (e) any tar bitumen or asphalt boiler shall not be left unattended and shall be located at ground level on a non-combustible surface and in the open air whilst lighted
- (f) for one hour after completion of each period of work or stage of work involving the application of heat or use of angle grinders or disc cutters or for one hour after the completion of work involving the application of heat or use of angle grinders or disc cutters in any area in all circumstances that the area previously worked upon ceases to be sufficiently visible to ensure that any outbreak of fire or signs of the possible outbreak of fire will be noticed any area or areas in which work has been carried out shall not be left unattended and a thorough inspection of the area surrounding the work (including that described in paragraph (a) (i) above) shall be made at frequent intervals up to the end of the period of one hour to ensure that nothing is smouldering and there is no risk of fire (and a record of inspections shall be kept).

General Conditions

(continued)

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

12. Underground Services

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

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

13. Alteration

if at any time anything shall occur or be done materially affecting the risk insured **you** shall give immediate notice in writing to **us**.

14. Major Variations

any major variation or change in plan must:

- (a) be agreed with the structural or consulting engineer
- (b) be notified to us and agreed before commencement thereof.

15. Policy Voidable

this **policy** shall be voidable in the event of misrepresentation, misdescription or non-disclosure of any material particular.

16. Conditions Precedent

If **you** do not comply with any part of any condition which makes payment of a claim conditional upon compliance with it (a condition precedent) **we** will not pay for any claim except that where the condition concerned:

- (a) operates only in connection with particular premises or locations **we** will pay for claims arising out of an event occurring at other premises or locations which are not specified in the condition
- (b) operates only at particular times **we** will pay for any claim where **you** show on the balance of probabilities that its non-compliance with the condition did not cause or contribute to the loss damage cost or additional expenditure which occurred
- (c) would if complied with tend to reduce particular types of loss damage cost or additional expenditure or as the context may require liability **we** will pay for any claim where **you** show on the balance of probabilities that its non-compliance with the condition did not cause or contribute to the loss damage cost or additional expenditure which occurred.

General Conditions

(continued)

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

17. Fair Presentation of the Risk

- (a) **you** must make a fair presentation of the risk to **us** at inception and variation of the **policy**.
- (b) **we** may avoid the **policy** and refuse to pay any claims where any failure to make a fair presentation is
 - (i) deliberate or reckless or
 - (ii) of such other nature that if **you** had made a fair presentation the Insurers would not have issued the **policy**.**we** will return the premium paid by **you** unless the failure to make a fair presentation is deliberate or reckless.
- (c) If **we** would have issued the **policy** on different terms had **you** made a fair presentation **we** will not avoid the **policy** (except where the failure is deliberate or reckless) but **we** may instead
 - (i) reduce proportionately the amount paid or payable on any claim the proportion for which **we** are liable being calculated by comparing the premium actually charged as a percentage of the premium which **we** would have charged had **you** made a fair presentation and/or
 - (ii) treat the **policy** as if it had included such additional terms (other than those requiring payment of premium) as **we** would have imposed had **you** made a fair presentation.

For the purposes of this clause references to:

1. avoiding a **policy** means treating the **policy** as if it had not existed from the inception date (where the failure to make a fair presentation of the risk occurs before or at the inception of the **policy**) or the variation date (where the failure occurs when the **policy** is varied)
2. refunds of premium should be treated as refunds of premium back to the inception date or variation date as the context requires
3. issuing a **policy** should be treated as references to issuing the **policy** at inception or varying the **policy** as the context requires.

Claims Conditions

1. Claims Notification and Requirements & Claims Settlement

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

- (a) **you** or a representative of **yours** must at **your** own expense:
 - (i) deliver to **us** within thirty (30) calendar days after such occurrence (twenty eight (28) calendar days in the case of loss or damage by riot civil commotion strikers locked-out workers persons taking part in labour disturbances malicious persons or theft) or such further time as **we** may allow in writing:
 - 1. full information in writing of the **insured property** and the amount of loss or damage
 - 2. details of any other insurances on the **insured property** covered by this **policy**
 - (ii) take all reasonable action to prevent or minimise the loss and to prevent further physical loss or damage, **we** shall not be liable for any further damage resulting from continued use until repairs have been carried out to **our** satisfaction.
 - (iii) retain any damaged property or parts.
 - (iv) pass immediately and unacknowledged any letter of claim to **us**.
 - (v) when required to do so, provide a statement in writing of all details relating to the incident and any other evidence that may be required.
 - (vi) notify **us** immediately if **you** receive a letter before action, claim, writ, proceedings or process relating to a claim against **you** or any **other insured party**.
 - (vii) co-operate fully with **us** and provide all assistance requested by **us** in connection with any claim. Provided **you** comply with this Condition in full, and without prejudice to any liability that **we** may have, in the event of physical loss or damage, **you** may proceed with minor repairs to the **insured property**.
- (b) **we**:
 - (i) may, at **our** discretion, repair, reinstate, replace, or pay in money for any physical loss or damage covered by this **policy**.
 - (ii) shall be entitled to take over, defend, or settle any claim in **your** name.
 - (iii) have the right to enter the site or any other premises where a loss has occurred to inspect or investigate any claim.
- (c) to the extent that **you** are accountable to the tax authorities for Value Added Tax all claims settlements made under this **policy** shall be exclusive of such tax.
- (d) no liability shall attach to this **policy** for any physical loss or damage not notified to **us** within 3 calendar months of the occurrence, other than in respect of cover provided under the Additional Cover for the **rectification period** which applies to Section 1.
- (e) **you** must not admit liability or make any offer, promise, or payment on **our** behalf without **our** written consent. Provided that:
 - (i) no claim will be paid until **you** have complied with this Condition.
 - (ii) the amount stated as the **excess** in the **schedule** will be deducted from the settlement as the amount of loss borne by **you**.

2. Fraud

If **you** or anyone acting on **your** behalf:

- (a) makes any false or fraudulent claim
- (b) makes any exaggerated claim
- (c) supports a claim by false or fraudulent documents devices or statements (whether or not the claim is itself genuine) or
- (d) makes a claim for loss or damage which **you** or anyone acting on **your** behalf deliberately caused

we will

- (i) refuse to pay the whole of the claim and
- (ii) recover from **you** any sums that **we** have already paid in respect of the claim.

we may also notify **you** that **we** will be treating the **policy** as having terminated with effect from the date of the earliest of any of the acts set out in sub-clauses **a – d** above. In that event **you** will

- (i) have no cover under the policy from the date of the termination and
- (ii) not be entitled to any refund of premium.

Claims Conditions

(continued)

3. Other Insurance

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

4. Average and Reinstatement of Sum Insured and/or Limit of Liability

where under any section of the **policy we** state that the **sum insured** and/or **limit of liability** will:

- (a) be reduced by the amount of any claim, in the event that a claim occurs:
- (i) **average** will apply in deciding how much **we** will pay, and,
 - (ii) **you** shall pay a pro rata additional premium, calculated from the date of loss to the expiry of the **construction period** the current rate on the amount of each claim.

However:

1. such additional premium shall be disregarded for the purpose of any adjustment of premium made in respect of General Condition 5 Premium Adjustment Clause.
2. **we** will waive the additional premium, if the final cost of the claim, including all settlement fees, does not exceed £100,000.

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

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

5. Subrogation

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

6. Abandonment

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

7. Arbitration

if any difference arises as to the amount paid under this **policy** such difference shall be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions.

Where any difference is by this Condition to be referred to arbitration the making of the award shall be a condition precedent to any right of action against **us**.

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

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

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

General Exclusions

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

we will not pay for:

1. Excess

the **excess**, provided that under:

Sections 1, 2 and 3 of the policy

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

Sections 4 and 5 of the policy

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

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

2. Intentional Acts

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

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

3. Wear and Tear

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

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

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

General Exclusions

(continued)

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

we will not pay for:

4. Application of Tools

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

5. Guarantees of Performance

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

6. War Risks

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

7. Radioactive Contamination

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

- (a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- (b) the radioactive toxic explosive or other hazardous or contaminating properties of any nuclear installation, reactor, or other nuclear assembly, or nuclear component of any nuclear installation;
- (c) any weapon or other device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- (d) the radioactive toxic explosive or other hazardous or contaminating properties of any radioactive matter.

8. Airborne and Waterborne Craft

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

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

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

9. Pollution or Contamination

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

General Exclusions

(continued)

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

we will not pay for:

10. Cyber Event

- (a) damage to, loss, destruction, distortion, erasure, corruption, alteration, theft or other dishonest, criminal, fraudulent or unauthorised manipulation of **electronic and digital data** from any cause whatsoever (including, but not limited, to **computer attack**) or loss of use, reduction in functionality, loss, cost, expense and/or fee of whatsoever nature resulting there from, regardless of any other cause or event contributing concurrently or in any other sequence to the loss or damage.
- (b) however, in the event that an **insured event** listed below results from any of the matters described in (a) above, this **policy**, subject to all its terms, provisions, conditions, exclusions and limitations, will cover a direct physical damage and/or a consequential loss there from occurring during the **period of insurance** to property insured by this **policy** directly caused by such an **insured event** to the extent covered and not otherwise excluded under this **policy**.

11. Date Recognition Related Losses

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

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

12. Unexplained Losses

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

13. Road Vehicles

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

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

14. Money or Guarantees of Money

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

15. Cessation of Works

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

General Exclusions

(continued)

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

we will not pay for:

16. Loss or Damage Underground or Underwater

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

17. Non Standard Construction Operations

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

18. Open Trench Work

physical loss or damage resulting from **contract works** being undertaken at an open trench depth of 5 metres (16 feet 4.85 inches) or greater below the normal ground level surrounding the **site**.

19. Piling Foundation and Retaining Wall Works

the cost incurred in respect of:

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

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

20. Testing and Commissioning – Second Hand Plant

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

General Exclusions

(continued)

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

we will not pay for:

21. Terrorism

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

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

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

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

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

22. Pre-existing Damage and Defects

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

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

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

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

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