

Contractors All Risks Section

Definitions applicable to this Section

Basis of claims settlement

means the amount payable as indemnity shall be the value of the insured **property** at the time of its **damage** or at **our** option the cost of repair reinstatement or replacement of such **property** or any part of it

Business

means **your business** as stated in the **schedule** conducted from **premises** within the **territorial limits**

Constructional plant tools and equipment

means constructional plant tools and equipment (but excluding the **contract works temporary buildings hired-in property** and **employees' personal property**) for use in connection with the **contract works** while anywhere within the **territorial limits** other than on sites of **contract works** not insured by this Section

Contract works

means the temporary and permanent works executed or in the course of execution in the performance of constructional work undertaken by **you** or on **your** behalf in connection with **your business** including materials for incorporation therein while either

- 1) on or adjacent to the sites of temporary or permanent works or
- 2) in **transit** or anywhere within the **territorial limits**

Employees' personal property

means employees' personal tools and effects while on or adjacent to the sites of the **contract works**

Hired-in property

means **property** which is otherwise described hereunder as **temporary buildings** and **constructional plant tools and equipment** but which has been hired-in

Maintenance period

means any maintenance or defects liability period stated in the terms of the contract not exceeding 12 months duration or such other duration stated in the **appendix**

Practical completion

means when the work remaining to complete relates only to decoration fixtures and fittings left to be at the choice of the purchaser lessee or tenant

Property insured

means the property stated in the **appendix** to this Section

Speculative development

means any **property** built altered or renovated for sale leasing or renting by **you** other than under a contract for a **principal**

Temporary buildings

means temporary buildings including fixtures and fittings therein excluding **hired-in property** for use in connection with the **contract works** while anywhere within the **territorial limits** other than on the sites of **contract works** not insured by this Section

Contractors All Risks Section

Insurance Provided

We will indemnify **you** against accidental **damage** of or to the insured **property** occurring during the **period of insurance** provided that

- 1) insured **property** belongs to or is **your** responsibility
- 2) **damage** of or to insured **property** shall not be deemed to have occurred solely by virtue of the existence of any defect in design plan specification materials or workmanship in the insured **property** or any part thereof
- 3) a monetary Limit of Indemnity in respect of such insured **property** is stated in the **appendix**

As stated in the **appendix**

Limit of liability

Our Limit of Liability will be in respect of

- 1) Item 1 **contract works** of the insured **property** in respect of any one contract or development in any one **period of insurance** the amount stated as the Limit of Indemnity in the **appendix**
- 2) Item 2 **constructional plant tools and equipment** and Item 3 **temporary buildings** of the insured **property** in any one **period of insurance** the amount stated as the Limit of Indemnity in the **appendix**
- 3) Item 4 **hired-in property** of the insured **property** in respect of any one item the amount stated as the Limit of Indemnity in the **appendix**
- 4) Item 5 **employees' personal property** of the insured **property** in any one **period of insurance** the amount stated as the Limit of Indemnity in the **appendix** and in respect of any one **employee** the amount stated in the **appendix**

provided that

- a) where insurance in respect of more than one Item of insured **property** is included hereunder but only one Limit of Indemnity is stated in the **appendix** for all such Items **our** total liability in respect of such Items in any one **Period of Insurance** shall not exceed the stated Limit of Indemnity in the **appendix**
- b) except where may be otherwise stated herein the Limit of Indemnity stated in the **appendix** will be inclusive of any payment or payments under any Extension relating to **damage** of or to the insured **property** under each Item

Extensions

The terms Conditions and Exclusions of this **policy** and or Section apply to these Extensions

Where no Limit or maximum liability is stated in the Extensions the Section Limit of Liability applies

Automatic reinstatement

In consideration of the Limit of Liability for any Item of insured **property** not being reduced by the amount of any claim **you** shall pay an additional premium at a rate to be agreed on the amount of each claim for the period from the date of the incident to the date of the expiry of the **period of insurance** and any such additional premium will be disregarded for the purpose of adjustment of premium in accordance with the **policy** Condition Premium adjustment

Completed contract works and maintenance period

Notwithstanding Exclusion 4) **we** will provide indemnity in respect of accidental **damage** of or to

- 1) the permanent works or any part thereof occurring during
 - 1.1) a period not exceeding 14 days following the issue of a certificate of completion but only to the extent that **you** may be responsible under the terms of the contract
 - 1.2) the **maintenance period** for which **you** are liable arising from a cause occurring prior to the commencement of the **maintenance period**
- 2) work actually being undertaken during the **maintenance period** solely in connection with **your** obligations under the contract to remedy a defect or complete any snagging list

Consecutive damage

All accidental **damage** of or to the insured **property** arising on the site of any one contract or development during any period of 72 consecutive hours caused by earthquake storm tempest flood other water **damage** subsidence or collapse shall be deemed for the purpose of the **excess** to be one occurrence of **damage**

Contents of show houses

This Extension provides insurance for accidental **damage** of or to the contents of show houses show flats show offices or the like belonging to **you** or for which **you** are responsible occurring within the **territorial limits** whilst on the site of the **contract works in transit** or temporarily stored elsewhere in a locked premises provided that

- 1) insurance in respect of the **contract works** has been included hereunder
- 2) cover for such **property** whilst on the site of the **contract works** shall cease no later than 90 days beyond the date of **practical completion** of the last building on the said site
- 3) **our** liability under this Extension in respect of **damage** of or to the contents of any one such show unit shall not exceed £35,000
- 4) during the period from 1st December to 1st March an efficient heating system shall be left on at all times or the water system drained
- 5) **we** shall not provide indemnity against **damage** due to theft or attempt theft from any premises unless involving forcible and violent entry to or exit from such premises

Contract value increase

In the event of an increase occurring in the original value or price of a contract or development the Limit of Liability in respect of Item 1 **contract works** of the insured **property** shall be increased proportionately for such contract or development to a figure not exceeding 120% of such Limit of Liability

Debris removal

This Extension provides insurance for costs and expenses reasonably incurred by **you** with **our** consent in

- 1.1) removing and disposing of debris
- 1.2) dismantling or demolishing
- 1.3) shoring up or propping

of the portion or portions of the insured **property** subject to **damage**

- 2) cleaning clearing or repairing drains service mains gullies manholes and the like within the site of the **contract works** consequent upon **damage** for which indemnity is provided by this Section

provided that **we** shall not provide indemnity against any costs or expenses caused by or arising from **pollution or contamination of property** not insured by this Section

European Union and public authorities

This Extension provides insurance following **damage** of or to the **contract works** in respect of additional cost of reinstatement of the **property** as may be incurred with **our** written consent following **damage** solely by reason of the necessity to comply with the stipulations of

- 1) European Union legislation or
- 2) building or other regulations under or framed in pursuance of any Act of Parliament or bye-laws of any public authority (hereinafter referred to as the stipulations)

provided that

- 1) **we** shall not provide indemnity against
 - 1.1) the cost of complying with such stipulations
 - a) in respect of **damage** which is not insured by this Section
 - b) if notice has been served on **you** by the appropriate authority prior to the occurrence of such **damage**
 - c) for which there is an existing requirement which has to be implemented within a given period
 - d) in respect of any part of such **contract works** which is undamaged other than the foundations of that part which is the subject of **damage** unless foundations are specifically excluded from the indemnity provided by this Section
 - e) any rate tax duty development or other charge or assessment arising out of capital appreciation which may be payable in respect of the **property** or by its owner by reason of compliance with such stipulations

- 2) reinstatement is completed within 12 months of the **event of damage** or within such further time as **we** may in writing allow
- 3) nothing in this Extension shall increase **our** liability to pay any amount exceeding the Limit of Liability in respect of Item 1 **contract works** of the insured **property**

Expediting costs

This Extension provides insurance for extra charges necessarily and reasonably incurred by **you** with **our** consent for overtime weekend work night work shift work work on public holidays express freight air freight and the like in expediting the repair reinstatement and or replacement of the insured **property** hereunder consequent upon **damage** thereof or thereto for which indemnity is provided by this Section provided that

- 1) **we** shall not provide indemnity in respect of any such costs incurred solely to expedite the completion of any construction erection or installation of **property** not lost or **damaged** at a faster rate than would have been obtained had no such loss or **damage** occurred
- 2) **our** liability under this Extension shall not exceed
 - a) 5% of the amount which the repair reinstatement or replacement would have cost had these costs not been incurredor
 - b) £50,000 in respect of any one **event of damage**

whichever is the less

Free issue materials

This Extension provides insurance for **damage** of or to free issue materials supplied by or on behalf of the principal for incorporation in the **contract works** and which are **your** responsibility under the terms of the **contract** provided that the total value of all such materials shall be included in the Limit of Liability for Item 1 **contract works** of the insured **property** and also be included in the declaration made to **us** under **policy** Condition Premium adjustment

Hired-in property liability

Notwithstanding Exclusions 3.1) or 8) **we** will in respect of **hired-in property** provide indemnity against liability which has been assumed under indemnity clauses incorporated in the Model Conditions for the Hiring of Plant of the Contractors Plant Association or clauses of similar intent under any other hiring agreement (not being a leasing or hire purchase agreement) for

- 1) any loss **damage** or expense not otherwise insured hereunder incurred in consequence of such **property's** own explosion breakdown or derangement
- 2) the payment of continuing hire charges for a period not exceeding 90 days and whilst such **property** is out of commission consequent upon **damage** thereof or thereto or other **event of damage** for which indemnity is provided by this Section

provided that

- a) insurance in respect of Item 4 **hired-in property** of the insured **property** has been included hereunder
- b) **we** shall not provide indemnity against

- i) hire charges as referred to in paragraph 2) above in respect of the first 48 hours that such **property** is out of commission
- ii) the consequence of any wilful act or wilful neglect of **yours**
- c) **our** liability under this Extension shall not exceed £50,000 in respect of any one hire agreement which amount is payable in addition to the Limit of Liability for Item 4 **Hired-in property** of the insured **property**

Indemnity to other persons

We will also indemnify as if a separate **policy** had been issued to each

- 1) the legal personal representatives of **yours** or any other person entitled to indemnity under this Section but only in respect of **damage** incurred by **you** or such other person
- 2) any **principal** but only to the extent required by the contract for work
- 3) any owner of plant hired to **you** but only to the extent required by the conditions of the contract of hire

provided that

- a) any persons specified above shall as though they were **you** be subject to the terms Conditions and Exclusions of this Section insofar as they can apply
- b) nothing in this Extension shall increase **our** liability to pay any amount exceeding the Limit of Liability stated in the **appendix** regardless of the number of persons claiming to be indemnified

Immobilised plant

This Extension provides insurance for costs necessarily and reasonably incurred by **you** to recover or withdraw unintentionally immobilised **constructional plant tools and equipment** and **hired-in property** provided that such recovery or withdrawal is not necessitated solely by reason of electrical or mechanical breakdown or derangement

Loss of keys

This Extension provides insurance for costs incurred by **you** with **our** consent in replacing the lock of any security device permanently fitted to any **constructional plant tools and equipment** following **damage** of or to the keys operating the security device provided that

- 1) **our** liability will not exceed £1,000 any one **event**
- 2) Exclusions 10) of this Section is cancelled and of no effect

Noting of interests

The interest in the **property** of any party entering into an agreement with **you** or any **principal** is noted in this insurance to the extent that the agreement requires such interest to be noted and in respect of that part of the **property** to which the agreement relates

Off-site storage

This Extension provides insurance for **damage** of or to materials or **goods** designated for incorporation in the **contract works** while temporarily stored elsewhere than on the site of the **contract works** within the **territorial limits** provided that

- 1) **we** shall not provide indemnity in respect of **damage** of or to such materials or goods sustained while they are actually being worked upon in order to complete the same up to the point of their incorporation in the **contract works** and where such **damage** directly results from such work
- 2) **our** liability under this Extension shall not exceed 15% of the Limit of Liability in respect of Item 1 **contract works** of the insured **property** or £50,000 whichever is the less at any one location but limitation shall not apply where and insofar as it is necessary for **you** to comply with Clauses 16 and 30.3 of the Joint Contracts Tribunal Conditions of Contract or Clause 54 (3) of the Institute of Civil Engineers Form of Contract or any equivalent thereof

Plans and documents

This Extension provides insurance for costs and expenses necessarily incurred in re-writing re-drawing or reproducing plans drawings or other contract documents following accidental **damage** thereof or thereto occurring within the **territorial limits** provided that

- 1) insurance in respect of the **contract works** has been included hereunder
- 2) **our** liability under this Extension shall not exceed £50,000 in respect of any one **event of damage**

Professional fees

This Extension provides insurance for architects' surveyors' consulting engineers' and other professional fees necessarily incurred in the repair reinstatement or replacement of **damage** of or to the insured **property** to which the indemnity provided by this Section applies provided that

- 1) such fees shall not exceed those authorised under the scale of the appropriate professional body or institute regulating such charges
- 2) **we** shall not provide indemnity against any fees incurred in preparing or contending any claim

Speculative development

Notwithstanding Exclusion 4.3) for the purpose of **speculative development** the indemnity provided in respect of **damage** of or to the **contract works** shall extend to apply for a period of up to 90 days beyond the date of **practical completion** of the last building on the site of the **contract works** provided that

- 1) the indemnity provided by this Extension shall cease as from the date of transfer of ownership or letting of the building
- 2) the indemnity provided in respect of **damage** of or to any building used as a show house show flat show office or the like is subject to the terms of Extension Contents of show houses
- 3) nothing in this Extension shall be deemed to extend the indemnity provided beyond the date of expiration or non-renewal of this Section

Sub-contract works

In respect of any contract or development for which **you** act as the main contractor the reference in Exclusion 4.2) to a certificate of completion shall not be deemed to apply to any such certificate issued in respect of sub-contract work or works where such a certificate is issued inter alia to transfer responsibility for such work or works to **you**

Subrogation waiver

Where **you** are awarded a contract under the Joint Contracts Tribunal Standard Form of Building Contract incorporating the 1986 Amendments to the Insurance and Related Liability Provisions (or the equivalent thereof) the understated agreement applies in respect of the **contract works** and to the extent required by such contract

In respect of accidental **damage** of or to the **contract works** by any of the specified perils defined in the 1986 Amendments above it is agreed that so far as is required by a sub-contract **we** will not pursue any right of subrogation against sub-contractors directly engaged by the main contractor

Exclusions additional to the policy Exclusions

We shall not provide indemnity against

- 1) the costs necessary to replace repair or rectify any of the insured **property** which is lost or **damaged**
 - 1.1) due to a defect in design plan specification materials or workmanship in such insured **property** or any part thereof
 - 1.2) to enable the replacement repair or rectification of the insured **property** excluded by Exclusion 1.1) above

Provided that Exclusion 1.1) above shall not apply to other insured **property** which is free of such defect but is unintentionally lost or **damaged** in consequence thereof

- 2) **damage** due to
 - 2.1) wear tear rust or other gradual deterioration
 - 2.2) normal upkeep or normal making good
 - 2.3) disappearance or shortage which is only revealed when an inventory is made or is not traceable to an identifiable occurrence
- 3) **damage** of or to
 - 3.1) any part of any item of machinery plant tools or equipment due to its own explosion breakdown or derangement but this Exclusion shall not apply to other parts of such item unintentionally lost or **damaged** in consequence thereof
 - 3.2) any aircraft aerospace device hovercraft or watercraft
 - 3.3) any mechanically propelled vehicle for which compulsory insurance or security is required under any legislation governing the use of the vehicle but this Exclusion shall not apply to any such vehicle which is not otherwise insured and is intended for use at the site of the **contract works** as a tool of trade
 - 3.4) deeds bonds bills of exchange promissory notes cash bank notes cheques securities for money or stamps
 - 3.5) any **property** forming or which has formed part of any structure including any fixtures fittings or contents thereof existing at the time of the commencement of the **contract works** other than materials supplied and delivered for incorporation in the **contract works**
 - 3.6) the insured **property** in respect of any contract or development involving work in over or adjacent to

water

- 3.7) the **contract works** in respect of any contract or development
 - a) the value or price of which at the time of its commencement exceeds the Limit of Liability in respect of the **contract works**
 - b) the period for which at the time of its commencement exceeds 18 months or such other period as may be stated as the Maximum Period in the **appendix**
- 4) **damage** of or to the **contract works** or any part thereof
 - 4.1) caused by or arising from use or occupancy other than for performance of the contract or for completion of the **contract works** by or on **your** behalf
 - 4.2) In respect of which a certificate of completion has been issued or which has been completed and handed over to the **principal**
 - 4.3) which on a **speculative development** occurs after the date of **practical completion**
- 5) **damage** of or to any **constructional plant tools and equipment temporary buildings** or **hired-in property** while such **property** is away from the site of the **contract works** unless it is temporarily
 - 5.1) at **your** permanent **premises**
 - 5.2) stored in a locked premises compound or garage or
 - 5.3) in **transit**
- 6) **damage** for which **you** are relieved of responsibility under the terms of any contract or agreement
- 7) liquidated damages or penalties for delay or non-completion
- 8) consequential loss of any nature whatsoever except as otherwise specifically provided by this Section
- 9) **damage** occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
- 10) the **excess** amount stated in the **appendix** to this Section
- 11) **damage** caused by or arising from **pollution or contamination** other than that of or to the insured **property** unless otherwise excluded
- 12) **damage** or consequential loss for such **damage** in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of riot civil commotion and (except in respect of loss or **damage** by fire or explosion) strikers locked-out workers or persons taking part in labour disturbances or malicious persons
- 13) **damage** of or to any **property** whatsoever or any loss cost or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from
 - 13.1) **terrorism** occurring in England Wales or Scotland
 - 13.2) any act including but not limited to the use of force or violence and or the threat thereof of any person or 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 and or to put the public or any section of the public in fear occurring other than in England Wales or Scotland

including any loss or **damage** destruction 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 13.1) or 13.2) above

In any action suit or other proceedings where **we** allege that any **damage** destruction cost or expense is not covered the burden of proof that such **damage** destruction cost or expense is covered shall be upon **you**

Conditions additional to the policy Conditions

Adjudication awards

It is a **condition precedent** to **our** liability to indemnify **you** in relation to any claim for **damage** under this **Contractors All Risks Section** that where there is a construction contract dispute relating to loss **damage** or liability **you**

- 1) provide immediate notice to **us** when **you** become aware of any intention by any party to refer the dispute for adjudication
- 2) immediately forward to **us** any notification received from any party which relates to an intention to refer the dispute for adjudication
- 3) will not accept any award made by an adjudicator to such dispute as being final without **our** prior agreement

Claims (contribution)

If at the time of any **event** to which this Section applies there is or but for the existence of this Section there would be any other insurance covering the same **damage** or liability **we** shall not be liable under this Section except in respect of any excess beyond the amount which would be payable under such insurance had this Section been effected