



CHUBB INSURANCE COMPANY OF EUROPE SE

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CONTRACT WORKS (ANNUAL) INSURANCE POLICY



Chubb Contract Works (Annual) Insurance Policy

Index/How to read your Chubb Policy Wording

Insuring Agreement

The Insuring Agreement provides a brief overview of your Policy including:

- Your name
 - Basic insuring agreement
 - Period of insurance
-

The Schedule

The Schedule contains brief descriptions of the insurance covers provided and the Company's limit of indemnity for each. At the top of the Schedule is an effective date. If a Schedule has been revised, retain the copy bearing the latest effective date as it will restate all of your limits currently insured.

Excess amounts and Excess conditions, if any, are indicated in the Schedule applicable to the cover.

Endorsements applicable to your insurance covers are indicated in the Schedule

The 'Cover' section of your Policy specifies the risks or perils insured against and the losses that are excluded

General Policy Conditions

The General Policy Conditions apply to all of your insurance covers

Glossary

The Glossary contains definitions of words having specific meanings when used in the various parts of your Policy. Defined words appear in bold face type.



Chubb Contract Works (Annual)
Insurance Policy

Insuring Agreement

Policy Number:

Insured:

Address:

Is insured by Chubb Insurance Company of Europe SE herein after called the Company. In consideration of payment of the required premium the Company agrees to indemnify the Insured in the manner and to the extent herein provided and subject to the terms exclusions limits and conditions contained herein

Period of Insurance:

From :

To :

00.01 standard time at the Insured's Address as stated above

And any subsequent period for which the Company may accept payment for the renewal of this Policy.

The terms of this Policy shall not be waived or changed except by Endorsement issued to form part of this Policy

The Schedule(s) or Endorsement(s) attached to this Policy shall not be valid unless countersigned by an authorised employee of the Company

Signed for and on behalf of the Company

Contracts (Rights of Third Parties) Act 1999

IMPORTANT

This contract does not and is not intended to confer or create any right enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to the contract and the parties to this contract reserve the right to amend or rescind the contract without giving notice to or requiring the consent of any third party



Chubb Contract Works (Annual)
Insurance Policy

Schedule

Policy Number

Insured

Address

Period of Insurance

From:

To:

00.01 standard time at the Insured's Address stated in the Insuring Agreement

Losses Occurring

Occurrence

Claims Made

Claims Made and Occurrence

Contract Insured

Any Contract not exceeding Requires Editing original estimated total Contract price in connection with their business.

The Contract Site

Any single construction project site within the Territorial Limits

**Maximum Testing
Commissioning Period**

28 days any one item

**Maximum Maintenance
Period**

12 Months

Territorial Limits

The United Kingdom

Annual Premium

plus IPT

Terrorism Premium

!Syntax Error, + plus !Syntax Error, + IPT

Minimum retained Premium

Total Premium

!Syntax Error, + plus !Syntax Error, + IPT



Chubb Contract Works (Annual)
Insurance Policy

Limits

Part 1

Contract Works

	Cover	Limit of Indemnity	Description
Section 1.	Contract Works		
Section 2.	Owned Plant		
Section 3.	Hired in Plant		
Section 4.	Continuing Hire Charges (Maximum Indemnity period 3 months)		Any one Occurrence
Section 5.	Employee Tools		Any one Occurrence Any one Employee

Part 2

UK Terrorism

		Limit of Indemnity	
	Terrorism (PD)	!Syntax Error, +	
	Terrorism (BI)	!Syntax Error, +	



Chubb Contract Works (Annual) Insurance Policy

Excess

Part 1

Contract Works

Cover

Deductible

In respect of Sections 1, 2 and 3.

Sections 1, 2 & 3.

Theft / MD

of each and every occurrence of Damage

Testing and Maintenance

of each and every occurrence of Damage caused during the testing/commissioning and maintenance periods

Defective Design

Major Perils

All Other

of each and every occurrence of other Damage

In the event of any occurrence of Damage being subject to more than one excess the highest shall apply

In respect of Section 4 (in addition to the excess applied under Sections 1, 2 and 3)

Section 4.

Continuing Hire Charges

arising from each and every occurrence of Damage

In the event of any occurrence arising from Damage (under Section 3) being subject to more than one excess the highest shall apply.

Section 5.

Employee Tools

of each and every occurrence of Damage



Chubb Contract Works (Annual) Insurance Policy

Cover

The Indemnity provided by this Policy is in respect of all risks of **Damage** except as hereinafter excluded to the **Insured Property**

Section:

- 1. Contract Works** Cover provided by this Section is in respect of:
- a) Transit **Contract Works** whilst in transit (other than by sea or air) within the Territorial Limits to or from the Contract Site including any associated loading or unloading
 - b) Contract Site **Contract Works** whilst on the Contract Site or adjacent thereto until the issue of a Certificate of Practical Completion or until taken over by the Employer/Purchaser/Principal and for fourteen days thereafter where the Insured is required to insure under the terms of the Contract but in no event will this Policy provide indemnity outside the Period of Insurance
 - c) Maintenance **Damage** which is first revealed during the period of maintenance or defects liability not exceeding the maximum maintenance period stated in the Schedule
 - i) arising from a cause occurring on the Contract Site or adjacent thereto
 - ii) caused by the Contractor in the course of any operations carried out by them on the Contract Site for the purpose of complying with their obligations under the maintenance or defects liability clause in this Contract

Provided that the Insured shall demonstrate that any **Damage** which is first revealed during the period of maintenance or defects liability is the responsibility of the Contractor under the terms of the Contract

- 2. Owned Plant** Cover provided by this Section is in respect of **Damage to Owned Plant** whilst at any location within the Territorial Limits and whilst in transit (other than by sea or air) between such location including any associated loading and unloading

- 3. Hired in Plant** Cover provided by this Section is in respect of the Insured's legal liability under the terms of their hiring agreement or otherwise to pay compensation for **Damage to Hired in Plant** whilst in the Insured's custody or control at any location within the Territorial Limits and whilst in transit (other than by sea or air) between such locations

- 4. Continuing Hire Charges** Cover provided by this Section is in respect of the Insured's legal liability for payment of continuing hire charges for which they are responsible under the terms of their hiring agreement and as a result of **Damage** insured under Section 3

- 5. Employees Tools** Cover provided by this Section is in respect of **Damage to Employees Tools** whilst on the Contract Site or in transit thereto or therefrom



Chubb Contract Works (Annual) Insurance Policy

Extensions

This Policy is extended to include:

Indemnity to Insured's Employer/Purchaser/Principal

1. The Insured's Employer/Purchaser/Principal solely to the extent required by the conditions of the Contract in force between the Insured and the Employer/Purchaser/Principal where legally permissible provided that such Employer/Purchaser/Principal shall as if he were the Insured fulfill and be subject to the terms and conditions of the Policy

Offsite Storage

2. **Damage** as herein provided to the **Contract Works** whilst in store at any location within the Territorial Limits other than the Contract Site but not where the value of the **Contract Works** in store exceeds £100,000 unless the prior consent of the Company has been obtained

Provided that the Insured is responsible for such **Damage** under the terms of the Contract

Free issue Materials

3. **Damage** to free issue materials supplied by the Employer/Purchaser/Principal or their agents and for which the Insured is responsible under the terms of the Contract

Provided that the total value of all such free issue materials is included in any declarations made to the Company as required under General Condition 8

Debris Removal

4. Cost and expenses necessarily and reasonably incurred by the Insured with the consent of the Company in
 - a) removing debris and/or dewatering
 - b) dismantling and/or demolition
 - c) shoring or propping up and/or fencing off
 - d) clearing and repairing drains and service mains on siteof the portion or portions of the **Contract Works** suffering **Damage** by any peril insured by this Policy

Provided always that the liability of the Company:
 - i) shall not exceed under this extension an amount equivalent to 10% of the portion or portions of the **Contract Works** suffering **Damage**
 - ii) shall not by virtue of this extension be increased beyond the Sums Insured/Limits of Indemnity stated in the Schedule
 - iii) shall exclude any costs or expenses arising from **Pollution** or contamination of property not insured by this Policy

Professional Fees

5. Architects Surveyors Consulting Engineers and other professional fees necessarily incurred with the reinstatement of the **Contract Works** consequent upon its **Damage** but not for preparing any claim under this policy. It is understood that the amount payable for such fees shall not exceed those authorised under the Scale of Charges of the appropriate Institution or Body regulating such charges and such amount shall be payable in addition to the Sum Insured/Limit of Indemnity under Section 1



Chubb Contract Works (Annual) Insurance Policy

Automatic Reinstatement

6. It is understood and agreed that in respect of any claim under this Policy the Sum Insured/Limit of Indemnity shall not be reduced and an additional premium shall only be payable to the Company to reinstate such Sum Insured/Limit of Indemnity where the amount of any settled claim exceeds the sum of £100,000. In such event the additional premium involved shall be disregarded for the purpose of any adjustment of premium falling within the provisions of General Condition 8

Expediting Costs

7. In the event of **Damage** to the **Insured Property** or any part thereof the cost of any repair replacement or rectification admitted under this Policy shall include the additional costs of overtime weekend and shift working bonus payments plant hire charges express delivery (including airfreight) necessarily and reasonably incurred in expediting such repair replacement or rectification but excluding any such costs solely to expedite the completion of any construction erection or installation of **Insured Property** not lost or damaged

Provided that the Company shall not indemnify the Insured for costs incurred solely to expedite the completion of the Project at a faster rate than would have been attained if no **Damage** had occurred

Provided always that the liability of the Company under this extension shall not exceed twenty five per cent of the claim had such additional costs not been incurred or £50,000 whichever is the lesser which shall be payable in addition to the Sum Insured/Limit of Indemnity under Section 1

Plans and Documents

8. The cost (including computer time) necessarily and reasonably incurred in order to reproduce plans documents and records prepared in respect of the **Contract Works** including all technical information contained thereon in consequence of **Damage** (as covered by this Policy) but always excluding the value of the information contained therein

Provided always that the liability of the Company shall be limited to £10,000 any one **occurrence**

Local Authorities/ European Union Reinstatement

9. Such additional cost of reinstatement of the **Contract Works** (in consequence of **Damage**) as may be incurred solely by reason of the necessity to comply with building or other regulations under or framed in pursuance of any Act of Parliament or with By-Laws of any Municipal or Local Authority or European Directives enacted subsequent to the beginning of construction activity provided that:

- a) the amount recoverable under this extension shall not include:
- i) the cost incurred in complying with any of the aforesaid regulations or By-Laws:
 - 1) in respect of **Damage** not insured by this Policy
 - 2) under which notice has been served on the Insured prior to the **Damage**
 - 3) in respect of undamaged **Contract Works** other than alterations necessary as part of the re-insatement
 - ii) the amount of any rate tax duty development or other charge or assessment arising out of capital appreciation which may be payable in respect of the **Contract Works** by reason of compliance with any of the aforesaid regulation or By-Laws
- b) the work or reinstatement must be commenced and carried out with reasonable despatch and may be carried out wholly or partially upon another site provided always that the liability of the Company under this extension is not increased



Chubb Contract Works (Annual) Insurance Policy

Speculative Building

10. **Damage** to property being built or erected by the Insured other than under Contract. In respect of such property cover shall cease to apply from
- a) the date such property is sold or let or
 - b) one month after the date of completion of the work or building or erecting of such property
- whichever is earlier

Completion shall mean completion apart from a prospective purchasers or tenants choice of decorations and/or final fitments

Escalator Clause

11. The amount of indemnity under this Policy shall not exceed the Sum Insured stated in the Schedule which may be increased by an amount not exceeding twenty five percent should the original estimated Contract price of any Insured Contract (including the value of Free issue Materials) increase by such an amount

Measures Taken in Avoidance of Damage

12. The costs incurred by the Insured in taking reasonable but exceptional measures to avoid or mitigate impending **Damage** (as covered by this Policy) provided that
- i) the impending **Damage** (as covered by this Policy) does not stem from any reasonably foreseeable cause and that **Damage** (as covered by this Policy) would be the natural outcome to be expected in the absence of such measures
 - ii) the Company is satisfied that **Damage** (as covered by this Policy) has been avoided or reduced in consequence of the measures taken
 - iii) the exclusions and conditions of this Policy shall apply as if **Damage** (as covered by this Policy) had occurred
 - iv) the Company shall not be liable for costs and expenses incurred to prevent or minimise further occurrences or happenings of a similar nature

Provided always that the liability of the Company shall not exceed £50,000 any one **occurrence**

Contractors Plant Immobilisation

13. Costs necessarily and reasonably incurred for the purpose of recovery and/or withdrawal of **Owned Plant** and/or **Hired in Plant** in the event of Such **Owned Plant** and/or **Hired in Plant** becoming unintentionally immobilised whether or not **Damage** has occurred as defined in the Policy.

No indemnity shall be provided hereunder in respect of the cost of rectifying mechanical or electrical **Breakdown** failure or derangement where such is the sole requirement necessary to effect the said recovery or withdrawal

Provided that:

- i) The liability of the Company under this extension shall not exceed in respect of any **occurrence** the sum of £25,000 which shall be in addition to the Sum Insured/Limit of Indemnity stated in the Schedule and
- ii) The total indemnity in respect of the actual **Damage** and the recovery cost shall not exceed the total value of the item at the time of the **Damage**



Chubb Contract Works (Annual) Insurance Policy

**72 Hour
Weather Loss
Clause**

14. The following 72 Hour Weather Loss Clause - It is agreed that any **Damage** to the **Contract Works** arising during any one period of 72 consecutive hours caused by storm tempest flood or earthquake shall be deemed as a single event and therefore to constitute one **Occurrence** with regard to the Excesses provided for herein. For the purpose of the foregoing the commencement of any such 72 hour period shall be decided at the discretion of the Insured it being understood and agreed however that there shall be no overlapping of any two or more such 72 hour periods in the event of **Damage** occurring over a more extended period of time
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Hired Out Plant

15. **Contractors Plant** which is hired out by the insured provided that the conditions of such hirings shall be no less onerous than the standard conditions of the Construction Plant Hire Association except as agreed by the Company
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Chubb Contract Works (Annual) Insurance Policy

Exclusions

The Company shall not indemnify the Insured in respect of:

Excess

1. The amount specified in the Schedule as the Excess

Defects

2. **Damage** to and 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 material and workmanship of such **Insured Property** or any part thereof
 - b) **Insured Property** lost or damaged to enable the replacement repair or rectification of **Insured Property** excluded by a) above

Exclusion 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 lost or damaged solely by virtue of the existence of any defect in design plan specification materials or workmanship in the **Insured Property** or any part thereof

Valuable Papers

3. **Damage** to cash bank notes treasury notes cheques money order bill of exchange bonds deeds documents manuscripts negotiable vouchers postal orders promissory notes stamps tokens or securities or other securities for money

Wear & Tear

4. The cost of replacing repairing or rectifying parts of the **Insured Property** rendered necessary by wear and tear or deterioration due to lack of use or to normal atmospheric conditions but this exclusion shall not apply to other parts of the **Insured Property** physically damaged as a result of such wear and tear or deterioration

Corrosion

5. The cost of replacing repairing or rectifying parts of the **Insured Property** rendered necessary by any form of corrosion or the action of which accelerates or otherwise aggravates another condition or mechanism howsoever the same may arise but this exclusion shall not apply to other parts of the **Insured Property** physically damaged as a result of such corrosion

Inventory Loss

6. Any loss of **Insured Property** if the loss is only revealed when an inventory is made and when the loss cannot be traced to a specific event

Consequential Loss

7. Liquidated damages penalties for delay or detention or in connection with guarantees of performance or efficiency or consequential loss or damage not specifically provided for herein

Existing Structures

8. **Damage** to any existing structure or other property not forming part of the **Insured Property**

Taken Into Use

9. **Damage** to the **Contract Works** whilst the Contractors remain responsible for them if the **Damage** has been caused by or arises out of occupation by the Employer/Purchaser/Principal or other parties unless:
 - a) the contractors have agreed to such occupation and
 - b) the occupation has been accepted by the Company and
 - c) the occupation is necessary for the performance of the Contract



Chubb Contract Works (Annual) Insurance Policy

Breakdown	10. Damage to the Insured Property caused by Breakdown or derangement except in respect of: a) Damage to new plant and machinery intended for incorporation into the Contract Works during the maximum testing/commissioning period as stated in the Schedule b) Damage to plant hired by the Insured where they are responsible for such Damage under the terms of the Model Conditions for the Hiring of Plant of the Construction Plant Hire Association or any similar liability assumed under the Scottish Plant Owners Association Conditions or other conditions no more onerous than these
Motor Vehicles	11. Damage to any vehicle for which a Road Fund Licence and/or Certificate of Motor Insurance is required other than mechanically or electrically propelled plant
Waterborne Risks	12. Damage to any airborne or waterborne vessel or craft marine rig platform or property situated on any such vessel craft marine rig or platform but this exclusion shall not apply in respect of any safety or work boats or pontoons not exceeding twenty five feet in length
Contract Period	13. Any contract where the original contract period is in excess of 24 months duration unless agreed by the Company
Multiple Lifting Operations	14. Damage to Insured Property arising from any Multiple Lifting Operation(s)
War	15. War
Nuclear Incident	16. Nuclear Incident
Government Action	17. Government Action
Pollution	18. Pollution except (unless otherwise excluded) destruction of or Damage to the Insured Property caused by a) Pollution which itself results from a peril not otherwise excluded b) A peril not otherwise excluded which itself results from Pollution
Wilful Act	19. Wilful Act
Date Recognition	20. Damage whether direct or indirect caused by or resulting from the inability or inadequacy of any: a) 1. Computer hardware microprocessor or other semi-conductor device 2. operating system software or firmware 3. other electronic data processing property b) microprocessor other semiconductor device operating system software or firmware not part of electronic data processing property c) other system machinery equipment or component that is connected to or communicates with any of the foregoing to accept retrieve recognise understand interpret identify distinguish process communicate or otherwise use any date or time regardless of any other cause or event that: <ul style="list-style-type: none">• contributes concurrently to• contributes in any sequence to or• worsens such loss or Damage even if such other cause or event would otherwise be covered



Chubb Contract Works (Annual) Insurance Policy

Date
Recognition
Continued

This exclusion does not apply to ensuing loss or **Damage** caused by or resulting from a specified peril

For the purposes of this exclusion the following definitions shall apply (and replace any similar definition otherwise applicable):

Electronic data processing property means:

- electronic data processing equipment
- electronic data processing media and
- telephone equipment

Electronic data processing equipment means:

- data processing systems
- electronic systems consisting of separately identifiable and removable component memory or control boxes that are attached to and control production machinery but not the production machinery itself
- equipment component parts and related peripheral equipment including air-conditioning and fire protective equipment used solely for data processing operations

Electronic data processing media means:

- punch cards tapes discs diskettes drums cells
- other magnetic or optical recording or storage devices
- the software or other information recorded on this media and
- the original source material used to enter data and/or program software

Telephone equipment means telephone systems and their component parts you own or are in your care custody or control

Specified peril means:

- accidental escape of water from any automatic sprinkler installation
 - aircraft or other aerial devices or articles dropped therefrom
 - earthquake
 - escape of water from any tank apparatus or pipe
 - explosion
 - fire or lightning
 - flood
 - impact by any road vehicle or animal
 - riot or civil commotion
 - smoke
 - strikers locked-out workers or persons taking part in labour disturbances
 - subsidence ground heave or landslip
 - theft
 - vandalism
 - volcanic action
 - windstorm or hail
-



Chubb Contract Works (Annual) Insurance Policy

Terrorism

21. Loss damage cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with any act of Terrorism anywhere in the world regardless of any other cause or event contributing concurrently or in any other sequence of loss

For the purpose of this Policy of Insurance an act of Terrorism means 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 or overthrow 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 the Insurers allege that by reason of this exclusion any loss damage cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured

It should be further noted that with regards to Northern Ireland this Policy of Insurance does not cover **Damage** or Business Interruption loss cost or expense of whatsoever nature in Northern Ireland directly or indirectly caused by resulting from or in connection with any act of riot civil commotion and (except in respect of loss of or damage to any property and/or business interruption by fire or explosion) strikers locked out workers or persons taking part in labour disturbances or malicious persons

-
- Electronic Data** 22. **Damage** destruction distortion erasure corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to Computer Virus) or loss of use reduction in functionality cost expense of whatsoever nature resulting therefrom regardless of any other cause or event contributing concurrently or in any other sequence to the loss

However, in the event that a peril listed below results from any of the matters described in the paragraph above this Policy subject to all its terms conditions and exclusions will cover physical damage occurring during the Policy period to **Insured Property** by this Policy directly caused by such listed peril

Listed Perils

Fire

Explosion

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto it is understood and agreed as follows:-

Should electronic data processing media insured by this Policy suffer Damage insured by this Policy then the basis of valuation shall be the cost of the blank media plus the costs of copying the Electronic Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating gathering or assembling such Electronic Data. If the media is not repaired replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such Electronic Data to the Assured or any other party even if such Electronic Data cannot be recreated gathered or assembled



Chubb Contract Works (Annual) Insurance Policy

Electronic Data Continued

For the purposes of this Exclusion the following definitions shall apply (and replace any similar definition otherwise applicable):

Electronic Data means facts concepts and information converted to a form useable for communications interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

Computer Virus means a set of corrupting harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code programmatic or otherwise that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'



Chubb Contract Works (Annual) Insurance Policy

General Policy Conditions

Due Observance

1. The due observance of the terms provisions and amendments of this Policy by the Insured in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers and information supplied on or in connection with the proposal shall be a condition precedent to any liability of the Company to make any payment under this Policy

Precautions

2. The Insured shall take all reasonable precautions in the selection of labour and shall take all reasonable steps to comply with applicable statutory requirements and shall take all reasonable steps to maintain in efficient condition all plant tools and equipment used in connection with the Contract and the Company shall at all reasonable times have access to examine any such plant tools and equipment

The Insured shall also cause all reasonable reasonable precautions to be taken to prevent **Damage** throughout the Period of Insurance or any agreed extension thereof

Change in Circumstances

3. The Insured shall give the Company notice in writing as soon as reasonably practicable of any alteration which materially affects the risk insured and the Company shall have the right to vary the terms of the Policy

Claims Procedure

4. The Insured shall upon becoming aware of any circumstances giving rise or which may give rise to a claim under this Policy;
 - a) give notice to the Company as soon as possible and at their own expense supply full particulars and information and afford such assistance as the Company may reasonably require
 - b) give immediate notice in the case of theft or wilful **Damage** to the Police and render to them all reasonable assistance
 - c) send to the Company immediately on receipt any writ or summons or other proceedings which may be commenced against the Insured

In the event of a claim being made against the Insured for which the Insured may seek indemnity under this Policy the Insured shall not negotiate settle admit or repudiate such claim without the written consent of the Company

Insurers Rights in the Event of a Claim

5. In the event of a claim arising for which the Company shall be liable under this Policy the Company shall be entitled:
 - a) to undertake in the name of and on behalf of the Insured the absolute conduct and control of any proceedings and settlements of the same
 - b) to take proceedings at their own expense and for their own benefit but in the name of the Insured to recover compensation or secure any indemnity from any third party in respect of anything covered by this Policy and
 - c) to pay to the Insured in respect of any claim or claims the maximum liability of the Company as stated in the applicable Schedule of this Policy or such lesser sum for which the said claim or claims can be settled (subject to deduction in either case of any sum or sums already paid on account of such claim or claims) and thereafter the Company shall be under no further liability in respect of said claim or claims except for payment of costs and expenses incurred prior to the date of such payment and for which the Company may be liable hereunder



Chubb Contract Works (Annual) Insurance Policy

Contribution

6. If at the time of any **Damage** giving rise to indemnity under this Policy there may be any other Policy of Insurance covering such **Damage** or any part thereof the Company shall not be liable for more than its rateable proportion thereof and shall not in any event be liable in respect of property of any description specifically insured by any such other policy or be brought into contribution in any loss applying to such property

Housing Grants Construction and Regeneration Act

7. In the event of any construction contract dispute being referred to an adjudication procedure which complies with the provisions of the Housing Grants Construction and Regeneration Act 1996 (hereafter described as "any Dispute") the following terms and conditions will apply:
- i) If in the opinion of the Insured any Dispute relates to **Damage** which may be the subject of indemnity under this Policy
 - a) the Insured shall forward to the Company within three working days of receipt or as soon as reasonably practicable any notice of an intention by another party to refer any Dispute to adjudication
 - b) the Insured shall provide prior notice to the Company of any intention by them to refer any Dispute to adjudication
 - ii) The Insured shall co-operate with the Company in the conduct of the adjudication; any appointments made by the Company shall be at the Companies expense
 - iii) The Insured shall not accept any award made by the adjudicator to any Dispute as being final without the prior consent of the Company
 - iv) The Company will indemnify the Insured against any award (or part thereof) made by the adjudicator to the extent that the indemnity provided by this Policy allows
 - v) Any payment made by the Company in respect of any such award shall be made without prejudice to any rights of subrogation that the Company may possess following payment hereunder
 - vi) The Insured shall institute legal proceedings or arbitration in accordance with the terms of the original contract to challenge or reopen or stay the enforcement of such adjudicator's decision if reasonably requested so to do by the Company and to allow the Company to appoint appropriate advisers as they may deem necessary to have conduct of such proceedings as appropriate any such steps made by the Insured shall be at the Companies expense

All other terms and conditions of this Policy shall apply to the extent that they are not in conflict with this Condition

Premium Adjustment

8. The premium having been calculated in part on the estimated values the Insured shall within one month from the expiry of each Period of Insurance declare such actual values as the Company may require and thereupon the premiums shall be adjusted by an additional payment or refund to the Insured as the case may be subject to the minimum retained premium as stated in the Schedule

Arbitration

9. If any difference shall arise as to the amount to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to an Arbitrator to be appointed by the parties in accordance with statutory provisions therefor. Where any difference is by this Condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against the Company



Chubb Contract Works (Annual) Insurance Policy

Fraudulent Claims

10. If the Insured shall make any claim knowing the same to be false or fraudulent as regards amount or otherwise this Policy shall become void and all claims hereunder shall be forfeited

Basis of Settlement

11. a) **Contract Works**

In the event of the **Contract Works** (except as detailed below) suffering **Damage** the basis upon which the amount payable under the item concerned is to be calculated shall be the reinstatement of the property suffering **Damage** subject to the following special provisions and subject also to the terms and conditions of the Policy except in so far as the same may be varied hereby

For the purposes of the Insurance under this clause "reinstatement" shall mean the carrying out of the aforementioned work namely:

- i) where property is destroyed the rebuilding of the property if a building or in the case of other property its replacement by similar property in either case in a condition equal to but not better or more extensive than its condition when new
- ii) where property suffers **Damage** the repair of the **Damage** and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new

b) **Owned Plant and Employees Tools**

For the purposes of this insurance the **Owned Plant** and **Employees Tools** shall be valued at the full cost to repair or replace with deduction for wear tear and gradual deterioration provided that such property is actually repaired or replaced by the Insured (unless a cash settlement is agreed by the Company) within a reasonable period of time following the loss

In respect of partial **Damage** to **Owned Plant** and **Employees Tools** the Company may at its option make no deduction for wear tear and gradual deterioration for replacement parts

The payment shall not exceed the Sums Insured/Limit of Indemnity in respect of the property covered nor the amount actually spent to repair or replace the property for the same occupancy or use to a condition equal to but not better or more extensive than its immediate condition prior to loss

c) **Hired in Plant**

For the purposes of this insurance **Hired in Plant** shall be valued at the full cost to repair or replace with deduction for wear tear and gradual deterioration (unless agreed by the Company)

The payment shall not exceed the amount the Insured is legally or contractually liable for under the terms of the hiring agreement

Series Loss

12. If the development or discovery of a defect in any of the **Insured Property** shall indicate or suggest that a similar defect exists in other parts of the **Insured Property** the Insured shall forthwith investigate and if necessary rectify the defect in such other parts at their own expense or alternatively bear all loss arising out of the said defect

Cessation of Work

13. In the event of stoppage of work by the Insured on any Contract Site from any cause for a period of sixty consecutive days cover under Section 1 **Contract Works** shall be suspended unless its continuance be agreed in writing by the Company

In the event of such total or partial cessation of work the Insured shall use due diligence and do all things reasonably practicable to protect the **Insured Property**



Chubb Contract Works (Annual)
Insurance Policy



Chubb Contract Works (Annual) Insurance Policy

**Law and
Jurisdiction**

14. The Insurance provided by this Policy shall be governed by English Law and the Company and the Insured submit to the exclusive jurisdiction of the English Courts to resolve any disputes that may arise therefrom

Currency

15. All financial transactions under this policy including premium and claim payments shall be effected in pounds sterling in the United Kingdom at the current rate of exchange unless otherwise agreed by the Company

**Joint Code of
Practice**

16. The Insured undertakes to comply with the Joint Code of Practice on the Protection from Fire of Construction Sites and Buildings Undergoing Renovation dated May 1992 or any subsequent amendment to or revised edition thereof current at inception (or subsequent renewal if applicable) of the Policy hereinafter referred to as The Joint Code

This Additional Clause shall apply to the Contract provided that the original Contract price is £1,000,000 or more and for the purpose of Paragraph 6.3 of the Joint Code if the estimated total Contract price exceeds £10,000,000 it shall be deemed to be a Large Project

The appointed representative of the Company shall have the right at all reasonable times to enter and inspect the Contract Site for the purpose of checking whether the conditions thereon in all respects comply with The Joint Code

In the event of the Company becoming aware of a breach of The Joint Code the Company may inform the main/management contractor's site management of the nature of the breach specifying the remedial measures required by the Company (the Remedial Measures) and the period within which these must be completed

Where the Company considers such a breach is of sufficient importance the Company may confirm the same by notice in writing (the Notice) to the employer and the main/management contractor and the first named party forming the Insured when this is not the employer or the main/management contractor at their respective addresses nominated by the Insured at the inception of cover or as subsequently amended

Under the terms of this or any subsequent notice the Company may suspend or cancel all cover at the Contract Site concerned from the date named in the Notice not being a date earlier than the date named for completion of the Remedial Measures it being understood that upon suspension such cover shall be reinstated when the Company is satisfied that the Remedial Measures have been completed. Such Notice shall be given a registered post recorded delivery facsimile transmission or by hand

This Additional Clause shall not in itself be considered a condition precedent to liability but its inclusion shall not prejudice waive or remove the rights of the Company under the terms of this Policy

In the event of cancellation only the Company agrees to return to the Insured a pro-rata proportion of the relevant part of the Policy premium subject to the minimum retained premium as stated in the Schedule

Cancellation

17. The insurance or any cover included herein may be cancelled at any time by the Company by sending 30 days notice by registered letter to the Insured at the last known address. The Insured shall be entitled to the return of a proportionate part of the premium corresponding to the unexpired Period of Insurance
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Chubb Contract Works (Annual) Insurance Policy

Glossary

Breakdown	<i>meaning:</i> the actual failure breaking distortion or burning out of any part of the Insured Property whilst in use arising out of: <ul style="list-style-type: none">(a) mechanical or electrical defects in the item;(b) failure or fluctuation of the electricity supply causing stoppage of the machine and necessitating immediate repair or replacement in order to resume normal working.
Contractors Plant	<i>meaning:</i> Owned Plant and Hired in Plant
Contract Works	<i>meaning:</i> the permanent and temporary works executed in performance of the Contracts Insured and materials for use in connection therewith
Damage	<i>meaning:</i> accidental physical loss destruction or damage
Employees	<i>meaning:</i> <ul style="list-style-type: none">a) any person(s) employed by the Insured under a contract of service or apprenticeshipb) labour masters and persons supplied by themc) persons employed by labour only sub-contractorsd) persons offering their services on a labour only basise) persons engaged in work experience manpower services or similar schemesf) self-employed persons freelance artists and voluntary workersg) any person(s) supplied to or hired in or borrowed by the Insured persons working under the Community Offenders Act 1978 the Community Offenders (Scotland) Act 1978 or similar legislation
Employees Tools	<i>meaning:</i> personal tools and effects the property of the Insured's Employees other than motor vehicles precious metals precious stones or articles made therefrom or money
Government Action	<i>meaning:</i> <ul style="list-style-type: none">1) order of civil authority; except acts of destruction at the time of and for the purpose of preventing the spread of fire provided that such fire did not originate from any cause excluded in this cover2) seizure or destruction of Insured Property under quarantine or customs regulations; confiscation of Insured Property by order of any government or public authority; or action against contraband; illegal or prohibited traffic; or goods or merchandise whose importation exportation or possession is forbidden.
Hired in Plant	<i>meaning:</i> Contractors' plant and equipment (including temporary buildings) hired in by the Insured
Insured Property	<i>meaning:</i> Contract Works Owned Plant Hired in Plant and Employees Tools
Multiple Lifting Operations	<i>meaning:</i> where two or more lifting machines are used for the purpose of lifting or lowering a load



Chubb Contract Works (Annual) Insurance Policy

Nuclear Incident

meaning:

- 1) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
- 2) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

Occurrence

meaning: any one loss or disaster arising from or attributable to the same source or original cause

Owned Plant

meaning: Contractors' plant and equipment (including temporary buildings) belonging to the Insured

Pollution

meaning:

- 1) any solid liquid or gaseous or thermal irritant or contaminant including smoke vapour soot fibres fumes acids alkalis chemicals and waste. Waste includes materials to be disposed of recycled reconditioned or reclaimed
- 2) organisms or micro-organisms including bacteria fungus mould or their spores or products; or
- 3) viruses or other pathogens

War

meaning:

- 1) war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power or
- 2) any weapon of war employing atomic fission atomic fusion radioactive force or radioactive material whether in time of peace or war

Wilful Act

meaning: **Damage** caused by the wilful act or wilful neglect of the Insured



Chubb Contract Works (Annual) Insurance Policy

Complaints Procedure

We want to provide a first class standard of service. If you have any cause for complaint you should, in the first instance, contact either the intermediary who arranged the Policy for you*, or the branch that issued your Policy. Please quote the details of your Policy (your Policy number, departmental reference, etc).

If the matter is not resolved to your satisfaction, please write to the Manager of the branch concerned. If you are still not satisfied with the action taken, please write to the President at:

Chubb Insurance Company of Europe SE
106 Fenchurch Street
London
EC3M 5NB

*In the case of a complaint concerning an insurance broker registered in accordance with the provisions of the Insurance Brokers (Registration) Act, you can approach the Insurance Brokers Registration Council (IBRC) at:-

Insurance Brokers Registration Council
15 St Helens Place
London
EC3A 6DS
