

## Contractors' 'All Risks' - Annual Insurance

The Company will indemnify the insured by payment for the amount of or at the Company's option by repair reinstatement or replacement of Damage (meaning physical loss physical destruction or physical damage) to the Property Insured arising during the Period of Insurance from any cause whatsoever which is not specified in the Exclusions

Provided that

- 1 such Property Insured belongs to or is the responsibility of the insured
- 2 the Insured's Contribution (meaning the amount or amounts specified in any memorandum which the Insured agrees to pay) will be payable before the Company shall become liable to make any payment
- 3 the measure of indemnity shall be the cost of repair reinstatement or replacement by similar property less an appropriate deduction for wear and tear
- 4 the liability of the Company will not exceed
  - A) in respect of Item 1 the Estimated Contract Price or the Sum Insured shown in the Schedule whichever is the less
  - B) the Sum Insured applicable to each Item (excluding Item 1)
  - C) the Sum Insured where more than one Item is included but no individual Sums Insured are shown

inclusive of any payment or payments under Extensions 4 5 6 10 and 13 to this insurance relating to Damage to the Property Insured under such Item

### Definitions applicable to Contractors' 'All Risks' Insurance

#### Estimated Contract Price

The sum agreed between the Insured and his principal or employer as payment for completion of the works or where there is no principal or employer the value of the works to be completed at a single site

#### Contracts

All constructional work undertaken by the Insured in the course of the Business but excluding any work which involves

- a) an original Estimated Contract Price or Contract Period (excluding the maintenance period) in excess of the Maxima shown in the Schedule
- b) work in over or adjacent to water
- c) bridges viaducts subways tunnels motorways dams and the like
- d) a depth of excavation exceeding 5 metres

#### Property Insured

##### Item 1 Permanent and Temporary Works

The permanent works and temporary works executed in performance of the Contracts and materials for incorporation therein while on the sites of the Contracts or in transit by road rail or inland waterway within the Territorial Limits

##### Item 2 Temporary Buildings

Temporary buildings including fixtures and fittings therein for use in connection with the Contracts (but excluding hired-in property) anywhere within the Territorial Limits other than on sites of Contracts not insured by this Policy

##### Item 3 Constructional Plant Tools and Equipment

Constructional plant tools and equipment for use in connection with the Contracts (but excluding hired-in property and property described in Items 1 2 and 5 herein) anywhere within the Territorial Limits other than on sites of Contracts not insured by this Policy

##### Item 4 Hired-in Property

Hired-in property as otherwise described in Items 2 and 3

##### Item 5 Employees' Personal Effects

Employees' personal tools and effects while on the sites of the Contracts within the Territorial Limits

#### Territorial Limits

Great Britain Northern Ireland the Isle of Man or the Channel islands

#### Speculative Development

Property built for sale or letting by the Insured other than under a contract for a principal

#### Substantial Completion

A building shall be deemed to be substantially complete when the work remaining relates only to the prospective purchaser's or tenant's choice of decoration fixtures and fittings

## Exclusions to Contractors' 'All Risks' Insurance

The indemnity will not apply to

- 1 Damage for which the Insured is relieved of responsibility under any contractual agreement
- 2 Damage to
  - A) deeds bonds bills of exchange promissory notes cash bank notes cheques securities for money or stamps
  - B) any vessel or craft or thing made or intended to be water-borne or air-borne or any property therein or thereon
  - C) any mechanically propelled vehicle or plant for which a Certificate of Insurance or security is required in accordance with the applicable Road Traffic Act but this Exclusion shall not apply to any such vehicle or item of plant which is not otherwise insured and which at the time of the Damage is being used at the site of the Contract as a tool of trade or while it is being carried to or from such site
  - D) any item of machinery plant tools or equipment caused by its own breakdown or its own explosion
  - E) any property (including that being altered or repaired) existing at the time of the commencement of the Contract other than materials supplied and delivered for incorporation in the works
  - F) the permanent works or any part thereof
    - 1) in respect of which a Certificate of Completion has been issued by or to the Insured or
    - 2) which has been completed and handed over or
    - 3) which has been taken into use with the permission of the Insured for a purpose other than for the performance of the Contract or
    - 4) which on a Speculative Development arises after Substantial Completion except as provided by Extensions 2 3 and 8
  - G) any property insured by Items 2 3 and 4 while such property is away from the site of any Contract unless it is temporarily
    - 1) at permanent premises of the insured or
    - 2) stored in a locked premises compound or garage or
    - 3) in transit
- 3 the cost of
  - A) repairing replacing or rectifying any property which is defective
    - 1) in design plan specification materials or workmanship or which relies for its support or stability on such property which is defective  
This exclusion shall not apply to the remainder of the property which is free of such defect but is unintentionally damaged as a consequence of such defect
    - 2) by reason of wear tear rust mildew or other gradual deterioration
  - B) normal upkeep or normal making good
- 4 penalties under contract for delay or non-completion or consequential loss of any nature whatsoever except as otherwise specifically provided by this Policy
- 5 loss of property either by disappearance or by shortage if such disappearance or shortage is only revealed when an inventory is made or is not traceable to an identifiable event
- 6 A) any consequence of war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection military or usurped power confiscation commandeering nationalisation or requisition or Damage to any property by or under the order of any government de jure or de facto or public municipal or local authority  
B) Damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from
  - 1) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
  - 2) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- 7 Damage
  - A) directly occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
  - B) 1) Elsewhere than in Northern Ireland Channel Islands and Isle of Man by fire or explosion occasioned by or happening through or in consequence directly or indirectly of Terrorism  
except to the extent stated in the **Special Provision - Terrorism**  
2) In Northern Ireland occasioned by or happening through or in consequence directly or indirectly of
    - i) civil commotion
    - ii) Terrorism

For the purposes of this policy Terrorism shall mean an act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence

In any action suit or other proceedings where the Company alleges that by reason of this definition any Damage is not covered by this policy (or is covered only up to a specified limit of liability) the burden of proving that such Damage is covered (or is covered beyond that limit of liability) shall be upon the insured

### **Special Provision - Terrorism**

Subject otherwise to the terms definitions exclusions provisions and conditions of the policy this insurance includes Damages elsewhere than in Northern Ireland Channel Islands and Isle of Man by fire or explosion occasioned by or happening through or in consequence of Terrorism as defined in Exclusion 713)

provided that the liability of the Company in respect of such Damage shall not exceed in respect of all losses arising out of any one occurrence

A) £100,000 in total or

B) any limit of liability or sum insured stated in the policy as applying to that contract site or premises (including transit thereto or therefrom)

whichever is the lower

Any provision in this policy which provides for any sum insured or limit of liability to be automatically reinstated following a loss shall not apply to losses covered under this Special Provision

### **8 Damage to**

A) Nuclear Material

B) Any constructional work including decommissioning in or of any building plant equipment or other property which has been used is used or is designated to be used for the Production or Use of Nuclear Material without the prior agreement of the Company

#### Definitions

Nuclear Material -

- i) nuclear fuel other than natural or depleted uranium capable of producing energy by a self-sustaining chain process of nuclear fission outside a nuclear reactor either alone or in combination with some other material and
- ii) radioactive products or waste produced in or any material made radioactive by exposure to the radiation incidental to the production or use of nuclear fuel not including fabricated radio isotopes

Production or Use of Nuclear Material -

The production manufacture enrichment conditioning processing reprocessing use storage handling or disposal of Nuclear Material

### **Extensions to Contractors' 'All Risks' Insurance**

(each of which is subject otherwise to the terms of this Policy)

#### **1 Automatic reinstatement following claim**

The Sums Insured will not be reduced by the amount of any claim

In consideration of this Extension the insured 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 any adjustment of premium under General Condition 5

#### **2 Sub-contract works**

In respect of any Contract for which the Insured is acting as the main contractor the reference under Exclusion 21') herein to a Certificate of Completion will be deemed not to apply to a Certificate of Completion 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 the insured

#### **3 Maintenance or Defects Liability period and I.C.E. Standard Conditions of Contract**

Notwithstanding the provisions of Exclusion 21F) the Company will indemnify the insured for Damage to the permanent works or any part thereof occurring during

- A) any maintenance or defects liability period not exceeding 12 months duration or as specified in the Schedule but only in respect of Damage for which the Insured is liable arising from a cause occurring prior to the commencement of the maintenance period
- B) a period of 14 days after the Engineer shall have issued a Certificate of Completion where required under Clause 21 of the Institute of Civil Engineers' Contract Conditions (Fifth Edition) if applicable (or any subsequent revision or substitution thereof)

or for Damage to work actually being undertaken during such maintenance period solely in connection with the Insured's obligations under the Contract to remedy a defect or complete any snagging list and any constructional plant insured under Items 2 3 4 and 5 for use in connection therewith

#### 4 Professional fees

The Company will indemnify the Insured for architects' surveyors' and consulting engineers' fees necessarily incurred in the repair reinstatement or replacement of the Property Insured consequent upon Damage thereto for which Indemnity is provided by this Policy (but not for preparing any claim) The amount payable for such fees shall not exceed that authorised under the scales of the various institutes and bodies regulating such charges

#### 5 Debris removal

The Company will indemnify the insured for costs and expenses necessarily incurred by the insured with the consent of the Company in respect of

- A) debris removal and disposal
  - B) dismantling and/or demolition
  - C) shoring up or propping
  - D) cleaning and/or repairing drains and service mains on site
- } of the portion or portions of the Property Insured subject to Damage

resulting from any Damage for which indemnity is provided by this Policy but excluding any costs or expenses arising from pollution or contamination of property not insured by this Policy

#### 6 Public Authorities requirements

The Company will indemnify the Insured for such additional cost of reinstatement of the property as may be incurred with the Company's consent in complying with Building Regulations or local authority or other statutory requirements first imposed upon the Insured following the Damage provided that the reinstatement is completed within twelve months of the occurrence of the Damage or within such further time as the Company may in writing allow

Provided that the Company shall not be liable in respect of costs for

- requirements relating to undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from the insurance)
- any rate tax duty development or other charge or assessment which may arise out of capital appreciation as a result of complying with any of the regulations or requirements referred to

#### 7 Principals clause

This insurance extends to indemnify any employer or principal of the insured but only to the extent required by the contract between the Insured and the said employer or principal Provided that the employer or principal shall observe and be subject to the terms exceptions and conditions of the insurance in so far as they can apply

#### 8 Speculative Development (applicable to Item 1 only)

Notwithstanding Exclusion 2F)4) if the Contract involves Speculative Development the insurance under this Item shall continue for a period of up to 90 days beyond the date of Substantial Completion of the last building on the site of the Contract pending transfer of ownership or letting

Damage to the contents of any building used as a showhouse showflat show office and the like is subject to the terms of Extension 9

Nothing in this Extension shall be deemed to extend cover beyond the date of expiration or non-renewal of the Policy

#### 9 Showhouse contents

This insurance is extended to include damage to the contents of showhouses or showflats or show offices and the like on the site of the contract(s) until sold provided that

- A) cover shall cease no later than 90 days from the date that the last building on the site is substantially complete
- B) the liability of the Company shall not exceed £25,000 in respect of any one unit
- C) 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
- D) damage due to theft or malicious damage is restricted to that following forcible and violent entry or exit

#### 10 Offsite storage (applicable to Item 1 only)

The insurance under this Item in respect of materials or goods designated for incorporation in the contract works is extended to apply while such materials or goods are temporarily held in store away from the site of the Contract but not while such materials or goods are being worked upon in order to complete the same up to the point of their incorporation in the works

The Company's liability under this Extension shall be limited to 15 per cent of the Sum Insured by Item 1 or £25,000 (whichever is the less) at any one location but this limitation shall not apply where and in so far as it is necessary for the Insured to comply with Clauses 16 and 30.3 of the XT Conditions of Contract or Clause 54(3) of the ICE Form of Contract or any equivalent thereof

#### 11 Contract price increase (applicable to Item 1 only)

If the final price of the Contract exceeds the Sum Insured by Item 1 then the Sum Insured by this Item shall be increased proportionately to a figure not exceeding 125 per cent of the Sum Insured

## **12 Immobilised plant** (applicable to Items 3 and 4 only)

The insurance under these Items is extended to include the cost of recovery or withdrawal of constructional plant or equipment which is unintentionally immobilised provided that such recovery or withdrawal is not necessitated solely by reason of electrical or mechanical breakdown or derangement

## **13 Other interests**

The interest in the Property Insured of any party entering into an agreement with the insured (or any principal of the Insured) is noted in this insurance to the extent that the agreement entered into with the Insured (or any principal of the Insured) requires such interest to be noted and is in respect of that part of the Property Insured to which the agreement relates

## **14 Free issue materials** (applicable to Item 1)

Reference to materials under this Item is deemed to include free issue materials provided that the value of such materials is included within both the Sum Insured and declaration of value in accordance with General Condition 5 of this insurance

## **15 Plans and documents**

The Company will indemnify the insured for clerical costs necessarily incurred in re-writing redrawing or reproducing plans drawings or other Contract documents damaged within the Territorial Limits provided that the liability of the Company shall not exceed £50,000 in respect of any one occurrence of Damage

## **16 Expediting expenses**

In the event of Damage to the Property Insured the cost of repair reinstatement or replacement admitted under this insurance shall subject to the consent of the Company include the additional costs of overtime weekend and shift working plant hire charges express delivery (including air freight) necessarily and reasonably incurred in expediting repair reinstatement or replacement of such Damage provided that the liability of the Company shall not exceed £50,000 in respect of any one occurrence of Damage

## **17 Series losses**

Where Damage of or to the property insured on any one contract site arises 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 the application of the Insured's contribution

## **Conditions applicable to Contractors' 'All Risks' Insurance**

### **1 Cessation of Work**

If from any cause work ceases on the site of the Contract for a continuous period in excess of 90 days immediate notice in writing must be given to the Company with the details of work completed and outstanding and the Company on receipt of such notice may at its discretion agree continuation of this insurance at special terms to be agreed

### **2 The Insured shall ensure that all plant and equipment requiring inspection under any Statute or order is so inspected**

### **3 The Insured shall give to the Company and every person authorised by the Company access to the Property Insured at all reasonable times**

### **4 On the happening of any Damage the Insured shall**

- A) notify the Company in writing immediately
- B) inform the Police immediately if the Damage is caused by thieves or malicious persons
- C) provide the Company with full details of Damage by riot civil commotion strikers locked-out workers or persons taking part in labour disturbances within seven days of its happening
- D) send to the Company a written claim not later than thirty days or such further time as the Company may in writing allow after the Damage has happened providing at the Insured's own expense all the detailed particulars and evidence regarding the cause and amount of the claim as the Company may reasonably require together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith
- E) do with due diligence and concur in doing and permit to be done all things which may be reasonably practicable to avoid or diminish the Damage and to prevent repetition

### **5 A) The Company shall be entitled without incurring any liability under the Policy to**

- 1) enter any building or premises where Damage has happened and take and keep possession of the property
- 2) deal with salvage in any reasonable way

but no property may be abandoned to the Company

B) If the Company elects or becomes bound to reinstate or replace any property the Insured shall at his own expense produce and give to the Company all such plans documents books and information as the Company may reasonably require The Company shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the Items insured more than the Sum Insured thereon

C) This Policy shall be proof that the insured has given the Company the licence and authority that it may need to exercise its rights under this Condition

### **6 If any claim be in any respect fraudulent or if any fraudulent means or devices be used by the Insured or anyone acting on their behalf to obtain any benefit under this Policy all benefits hereunder shall be forfeited**

- 7** 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 the Statutory provisions in that behalf for the time being in force 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
- 8** Any claimant under this Policy shall at the request and at the expense of the Company take and permit to be taken all necessary steps in the name of the Insured for enforcing rights against any other party before or after any payment is made by the Company

The Company will not pursue any rights

- A) against any Company being Parent of or Subsidiary to the Insured or any Company which is a Subsidiary of a Parent Company of which the Insured is also a Subsidiary in each case within the meaning of Sections 736 and 744 of the Companies Act 1985 or Articles 2 and 4 of the Companies (Northern Ireland) Order 1986
- B) against any sub-contractor engaged by the insured if the contract is being performed under the JCT Standard Forms of Building Contract incorporating the 1986 Amendments to the Insurance and Related Liability Provisions (or the equivalent thereof)  
but this shall only apply to the extent that such waiver of subrogation is required in the above mentioned Amendments and only in so far as such a waiver is required by the sub-contract
- 9** Any information provided to the Company in accordance with General Condition 5 relating to turnover or final contract values shall include
- 1) the value of any materials and equipment provided by the employer or principal for incorporation in the Contract
  - 2) professional fees incurred in the design and construction of the Contract
  - 3) Value Added Tax which is irrecoverable by the Insured



