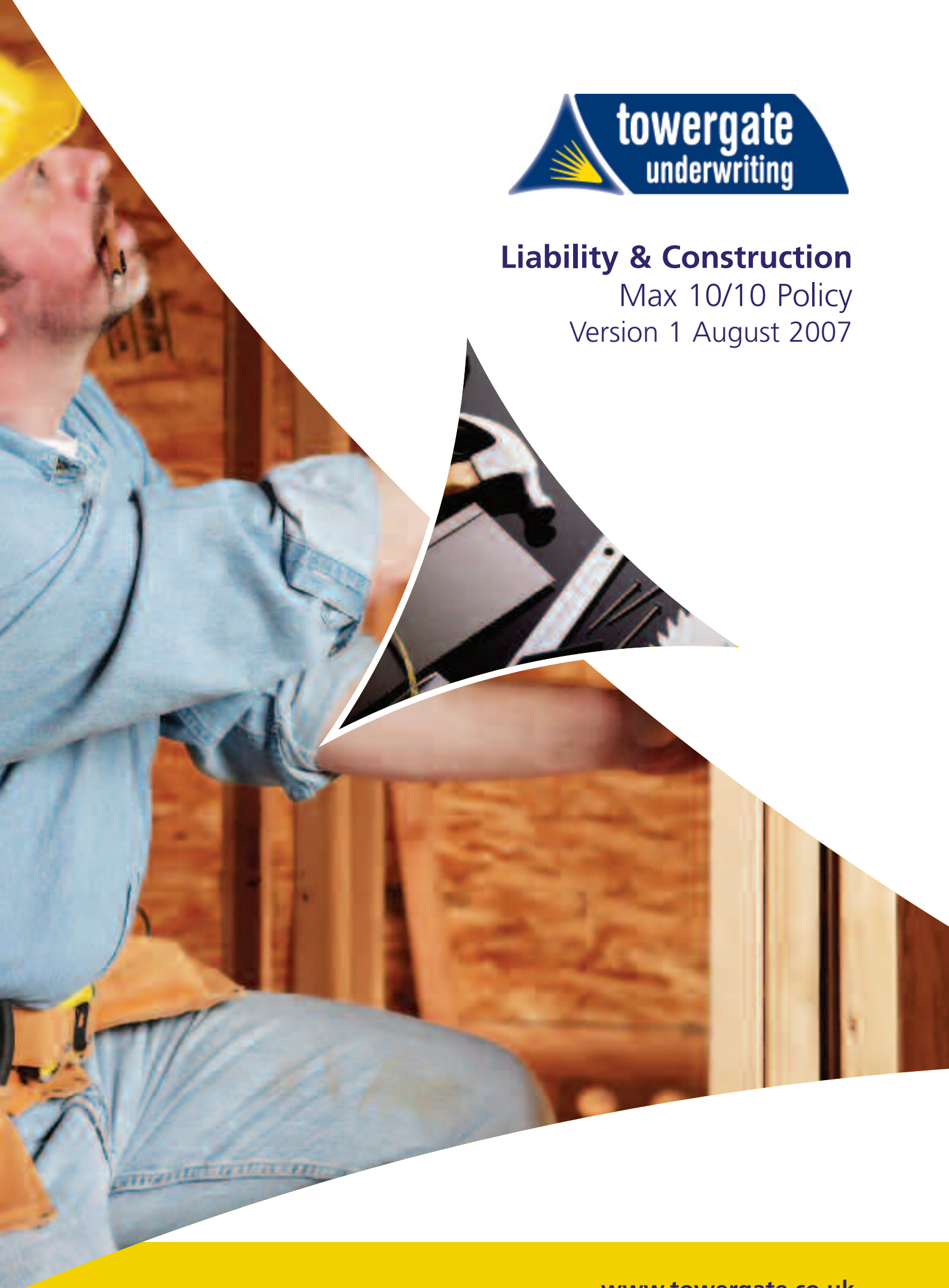




Liability & Construction

Max 10/10 Policy

Version 1 August 2007



Introduction

Thank You for choosing Towergate Underwriting Liability and Construction
This is Your policy, setting out Your insurance protection in detail.

Your premium has been based upon the information shown in The Schedule and recorded in the written application You have signed and/or declaration You have made. Please read it carefully to make sure that it meets Your requirements and that the details on The Schedule are correct.

If after reading Your policy You have any questions, please contact Your insurance adviser.

Contents – a guide to Your policy

This policy booklet consists of individual sections. It should be read in conjunction with The Schedule which indicates both the sections You are insured under and gives precise details of the extent of Your insurance protection.

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Your Policy Schedule

The Contract of Insurance

The policy, the application form and/or declaration made by You and The Schedule should be read together and form the contract of insurance between You, The Policyholder and Us Towergate Underwriting Liability and Construction.

In return for You having paid or agreed to pay the premium for the period of insurance, we will indemnify You by payment or, at Our option, by reinstatement or repair, in respect of loss, liability, destruction, damage, accident or injury to the extent of and subject to the terms contained in or endorsed on the policy.

On behalf of Towergate Underwriting Liability and Construction

Signature



Clive Bacon
Towergate Underwriting Liability and Construction

IMPORTANT

This policy is a legal contract. You must tell Us about any facts or changes which affect Your insurance and which have occurred either since the policy started or since the last renewal date.

If You are not sure whether certain facts are relevant please ask Your advisor. If You do not tell Us about relevant changes, Your policy may not be valid or the policy may not cover You fully.

You should keep a written record (including copies of letters) of any information You give Your insurance adviser when You renew this policy.

Law Applicable

The policy shall be governed and construed in accordance with English law and shall be resolved within the non-exclusive jurisdiction of the courts of England and Wales

Our Service to You

Our goal is to give excellent service to all Our customers. We take all complaints We receive seriously and aim to resolve all Our customers' problems promptly. To ensure that We provide the kind of service you expect We welcome your feedback. We will record and analyse your comments to make sure We continually improve the service We offer.

What happens if You complain?

- A) We will acknowledge Your complaint within 2 working days of receipt.
- B) We aim to resolve complaints within 5 working days.
- C) Once an assessment and full investigation of Your concern has been made We will respond with a decision.

Most of Our customers' concerns can be resolved quickly, but occasionally more detailed enquiries are needed. If this is likely, We will contact You with an update and give You an expected date of response. This will not be beyond 28 working days from when You first made Your complaint.

If You remain unhappy with the decision You receive from Towergate Underwriting Liability & Construction and You are still unhappy with the final decision or We haven't dealt with the issue within 56 days You may be able to refer the matter to the Financial Ombudsman Service (FOS).

Whilst We are bound by the decision of the FOS, You are not. Following the complaint procedure does not affect Your right to take legal action.

What You should do if You would like to complain. Following this complaints process will not affect Your legal rights.

The steps You should take if dissatisfied

Step 1 Seek resolution by Your insurance adviser or usual Towergate Underwriting Liability & Construction point of contact.

If You are disappointed with any aspect of the handling of Your insurance We would encourage You, in the first instance, to contact the manager concerned. You can write or telephone whichever suits You, and ask Your contact to review the problem.

Step 2 Refer Your complaint to Towergate Underwriting Liability & Construction's Managing Director.

If You remain unhappy with the decision You receive You should contact, with full details including Certificate number and/or claim number, the

Managing Director
Towergate Underwriting Liability & Construction
Towergate House
20 Ellerbeck Court
Stokesley
North Yorkshire
TS9 5PT
Tel 0845 072 0224
Fax 0845 072 0230
Email: liabilityandconstruction@towergate.co.uk

Step 3 Refer Your complaint to the Financial Ombudsman Service.

If after making a complaint to Towergate Underwriting Liability & Construction You are still unhappy and You feel the matter has not been resolved to Your satisfaction, please contact the FOS at

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR
Tel 08450 801800

Compensation Scheme

The Underwriters of this insurance as defined in this Certificate are covered by the Financial Services Compensation Scheme (FSCS). If they cannot meet their obligations, You may be entitled to compensation under this scheme depending on the type of insurance and the circumstances of the claim.

Further information about compensation scheme arrangements is available from the FSCS.

You can visit their website at www.fscs.org.uk or write to

Financial Services Compensation Scheme
7th Floor
Lloyd's Chambers
Portoken Street
London
E1 8BN

Policy Definitions

Each time We use one of the words or phrases listed below, it will have the same meaning wherever it appears in Your policy unless an alternative definition is stated to apply. A defined word or phrase will start with a capital letter each time it appears in the policy.

Each section of the policy contains definitions. They must be read in conjunction with the following Policy Definitions.

Data

Information represented or stored electronically including but not limited to code or series of instructions operating systems software programs and firmware

Employee

Any person who is

1. under a contract of service or apprenticeship with You
2. borrowed by or hired to You
3. a labour master or supplied by a labour master
4. employed by labour only sub-contractors
5. self employed
6. under a work experience or training scheme
7. a voluntary helper while working under Your control in connection with The Business.
8. an outworker or home worker when engaged in work on Your behalf.

Failure of a System

The complete or partial failure or inability whether in terms of availability functionality and/or performance or otherwise of a System whether or not owned by You to operate at any time as desired as specified or as required in the circumstances of Your business activities.

Microchip

a unit of packaged computer circuitry manufactured in small scale and made for program logic and/or computer memory purposes and expressly including integrated circuits and microcontrollers.

Money

Current

1. coin, bank and currency notes
2. postal and money orders, bankers drafts, cheques and giro cheques
3. crossed warrants, bills of exchanges and securities for money
4. postage, revenue, national insurance and holiday with pay stamps
5. national insurance and holiday pay with cards, national savings certificates, war bonds, premium savings bonds and franking machine impressions.
6. credit company sales vouchers, luncheon vouchers and trading stamps
7. VAT invoices

Offshore

Embarkation on to a vessel or aircraft for conveyance to an offshore rig or platform until disembarkation from the conveyance on to land upon return from such offshore rig or platform

Period of Insurance

From the effective date until the expiry date (both shown in The Schedule) or any subsequent period for which We accept payment for renewal of this policy.

System

Computers other computing and electronic equipment linked to a computer hardware electronic data processing equipment Microchips and anything which relies on a Microchip for any part of its operation and includes for the avoidance of doubt any computer installation.

Terrorism

Acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any other government de jure or de facto.

The Business

Activities directly connected with The Business specified in The Schedule.

The Excess

The amount or amounts specified in The Schedule which You agree to pay as Your contribution

The Premises

The premises specified in The Schedule.

The Schedule

The document which specifies details of The Policyholder, the premises, Property Insured and any excesses, endorsements and conditions applying to the policy.

Virus

Programming code or series of instructions designed to achieve an unexpected unauthorised and/or undesirable effect or operation when loaded onto a System transmitted between Systems by transfer between computer systems via networks extranets internet or electronic mail or attachments thereto or via floppy diskettes or CD-ROMs or otherwise and whether involving self replication or not.

We / Us / Our / TULAC

Towergate Underwriting Group Limited trading as Towergate Underwriting Liability & Construction on behalf of the insurers whose identity is stated in the General Endorsement entitled Identity of Insurers attaching to The Schedule and whose proportionate liability will be detailed upon request.

You / Your / The Policyholder

The persons, companies, partnerships or unincorporated associations named in The Schedule as the policyholder.

Section 1 – Employers' Liability

Definitions

(Also refer to the Policy Definitions at the front of this policy booklet).

The following definitions apply to this Section and shall keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Bodily Injury

Bodily injury including death, illness, disease or nervous shock.

Compensation

Damages, including interest.

Costs and Expenses

(1) Fees for The Insured's legal representation at

- (a) any Coroner's Inquest or Fatal Accident Inquiry
- (b) proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty

(2) Costs and expenses

incurred with Our written consent

(3) Any claimant's legal costs for which The Insured is legally liable

in connection with any Event which is or may be the subject of indemnity under this Section.

Terrorism

Acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any other government de jure or de facto.

The Defined Territories

Great Britain, Northern Ireland, the Isle of Man, the Channel Islands or Offshore installations within the Continental Shelf around such territories.

The Insured

(1) You.

(2) Your personal representatives in respect of legal liability You incur.

(3) At Your request

- (a) any director, partner or Employee of Yours
- (b) the officers, committees and members of Your
 - (i) canteen, social, sports, educational and welfare organizations

(ii) first aid, fire, security and ambulance services

in their respective capacities as such

(c) any principal for whom You are carrying out a contract to the extent required by the contract conditions

(d) those who hire plant to You to the extent required by the hiring conditions

or the personal representative of any of these persons

in respect of legal liability for which You would have been entitled to indemnity if the claim had been made against You.

Each indemnified party will be subject to the terms of this Section so far as they apply.

The total amount which We will pay will not exceed The Limit of Indemnity regardless of number of parties claiming to be indemnified.

The Limit of Indemnity

The maximum amount, stated in The Schedule, including Costs and Expenses, which We will pay in respect of any one Event.

The Territorial Limits

Anywhere in the world in connection with The Business conducted by You from premises within The Defined Territories.

Cover

We will indemnify The Insured against

(1) The legal liability to pay Compensation

and

(2) Costs and Expenses

in respect of Bodily Injury caused during The Period of Insurance to any Employee arising out of and in the course of employment by You in The Business within The Territorial Limits.

The maximum We will pay is The Limit of Indemnity.

Clauses

The following clauses apply to this Section.

Additional Activities

The Business includes

(1) ownership, use and upkeep of Your premises.

(2) upkeep of vehicles and plant that are owned and used by You.

(3) canteen, social, sports, educational and welfare organisations for the benefit of any Employee.

(4) Your first aid, fire, security and ambulance services.

- (5) Your participation in exhibitions.
- (6) private work by any Employee, with Your prior consent, for You or for any director, partner or Employee of Yours.

Contractual Liability

We will indemnify The Insured in respect of liability for Bodily Injury imposed on You solely by reason of the terms of any agreement provided that the conduct and control of any claim is vested in Us.

Cross Liabilities

We will indemnify each party named as The Policyholder in The Schedule as if a separate policy had been issued to each.

The total amount payable will not exceed The Limit of Indemnity regardless of the number of parties claiming to be indemnified.

Legal Expenses arising from Health and Safety Legislation

We will indemnify The Insured in respect of

- (1) legal fees and expenses incurred with Our written consent for defending proceedings, including appeals
- (2) costs of prosecution awarded against The Insured

which arise from any health and safety inquiry or criminal proceedings for any breach of the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978.

We will not provide indemnity

- (1) unless the proceedings relate to an actual or alleged act, omission or incident committed during The Period of Insurance within The Defined Territories and in connection with The Business.
- (2) In respect of proceedings which
 - (a) result from any deliberate act or omission by You.
 - (b) relate to the health and safety of any person other than an Employee.
- (3) where indemnity is provided by another insurance policy.
- (4) In respect of fines or penalties of any kind

Our Right of Recovery

The indemnity granted by this Section is deemed to be in accordance with the provisions of any law relating to the compulsory insurance of liability to employees in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

However, You will repay to Us all sums We would not have been liable to pay but for the provisions of such law.

Payment for Court Attendance

We will compensate You if, at Our request, You, any director, partner or Employee of Yours, is attending court as a witness in connection with a claim for which The Insured is entitled to indemnity.

The maximum We will pay for

- (1) You, each director or partner is £500 per day.
- (2) each Employee is £250 per day.

Unsatisfied Court Judgments

We will, at Your request, pay any Employee or his or her personal representative, the amount of damages and costs awarded to such person as a result of a judgment which has been obtained for Bodily Injury against any company registered in or any individual domiciled in The Defined Territories and which remain unpaid six months after the date of such judgment.

Payment will only be made where

- (1) the Bodily Injury was caused during any Period of Insurance to the Employee arising out of and in the course of employment by You in The Business.
- (2) the judgment was obtained in a court within The Defined Territories.
- (3) there is no appeal outstanding to the judgment.
- (4) the Employee, or his or her personal representative, assigns the judgment debt to Us.

Temporary Employees

We will provide indemnity in respect of liability arising out of the employment of temporary Employees provided that the total number of days during which all such temporary Employees are employed does not exceed 50 days during any one Period of Insurance.

For the purpose of this Clause the total number of days employed shall mean the combined total of days employed for all temporary Employees.

This extension only applies if an Employers' Liability premium has been paid and where the Employers' Liability Section is shown as operative in the Schedule for Employers' Liability.

Exceptions

The following exceptions apply to this Section. (Also refer to the Policy Exceptions at the back of this policy booklet).

We will not provide indemnity in respect of

- (1) work Offshore.
- (2) Bodily Injury for which The Insured is required to arrange motor insurance or security in accordance with road traffic legislation.
- (3) any consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or Event
 - (a) Terrorism

(b) any action taken in controlling, preventing, suppressing or in any way relating to (a) above

except as stated in **Special Provision – Terrorism** below

In any action, suit or other proceedings where We allege that any consequence whatsoever resulting directly or indirectly from or in connection with (3) (a) and/or (3) (b) above regardless of any other contributory cause or Event is not covered under this Section (or is covered only up to a specified limit of liability) the burden of proving that any such consequence is covered (or is covered beyond that limit of liability) under this Section shall be upon You.

Special Provision – Terrorism

Subject otherwise to the terms of the policy

When the Employers' Liability Section is insured by this policy neither of the exclusions in (3) (a) and (3) (b) above shall apply to the Employers' Liability Section but the Limit of Indemnity for the purpose of this Special Provision – Terrorism is limited to £5,000,000 including Costs and Expenses.

Conditions

The following conditions apply to this Section.
(Also refer to the Policy Conditions at the back of this policy booklet).

Suspension of Cover

We may, at any reasonable time, inspect any property and, in the event of any defect or danger being apparent, We may by written notice to You suspend all Our liability that might otherwise arise from such defect or danger.

Additional Endorsements

This Section extends to include the following Additional Endorsements, only if stated as applying in The Schedule.

D Erection of Buildings

We will only indemnify The Insured in respect of contracts, undertaken by The Insured, for the erection of buildings not exceeding fifteen metres in height and including any

- (a) partial or total demolition
- (b) road and footpath construction
- (c) laying pipes, drains and sewers

forming part of the contract.

We will not provide indemnity in respect of piling work or the use of explosives.

E General Builders

We will indemnify The Insured in respect of

- (1) (a) partial or total demolition
- (b) road and footpath construction
- (c) laying pipes, drains and sewers

only if this forms part of a contract undertaken by The Insured for the erection, alteration, maintenance or repair of buildings or structures.

- (2) partial or total demolition of structures not exceeding four metres in height.

We will not provide indemnity in respect of

- (a) piling work, water diversion or the use of explosives.
- (b) the construction of or work on towers, steeples, chimney shafts, blast furnaces, viaducts, bridges, docks, tunnels, dams or reservoirs.

F Civil Engineering Contractors including Road and Sewer Contractors

We will indemnify The Insured in respect of

- (1) partial or total demolition
 - (a) of structures as part of a contract, undertaken by The Insured, for erection, reconstruction, alteration, of maintenance or repair.
 - (b) of other structures not exceeding four metres in height.
- (2) piling work contracts undertaken by The Insured for sheet piles in respect of the temporary support of trenches.

We will not provide indemnity in respect of

- (4) piling work contracts other than the use of sheet piles for the temporary support of trenches.
- (5) water diversion or the use of explosives.
- (6) the construction of
 - (a) towers, steeples, chimney shafts, blast furnaces.
 - (b) viaducts, bridges and flyovers other than for surfacing or resurfacing of roads thereon.
 - (c) docks, quaysides, jetties, harbours, tunnels, dams or reservoirs.
- (7) digging below the Depth Limit shown in The Schedule.

G Height Limit

We will not provide indemnity in respect of work at a height where the drop exceeds the Height Limit shown in The Schedule.

Section 2 – Public and Products Liability

Definitions

(Also refer to the Policy Definitions at the front of this policy booklet).

The following definitions apply to this Section and shall keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Asbestos

Asbestos, asbestos fibres or any derivatives of asbestos.

Bodily Injury

Bodily injury including death, illness, disease or nervous shock.

Compensation

damages, including interest.

Costs and Expenses

- (1) Fees for The Insured's legal representation at
 - (a) any coroner's inquest or fatal accident inquiry
 - (b) proceedings in any court of summary jurisdiction arising out of any alleged breach of statutory duty
- (2) Costs and Expenses incurred with our written consent
- (3) any claimant's legal costs for which The Insured is legally liable in connection with any event which is or may be the subject of indemnity under this Section.

Damage

Physical

- (1) loss
- (2) destruction
- (3) damage

but not including loss of Data

Financial Loss

A pecuniary loss suffered by any

- (1) customer of
- (2) user of any Products Supplied by

The Insured and not caused by Personal Injury or Damage to Property.

Personal Injury

- (1) Bodily Injury
- (2) Wrongful
 - (a) arrest, detention or imprisonment
 - (b) eviction
 - (c) accusation of shoplifting

Pollution or Contamination

- (1) Pollution or contamination of buildings or other structures or of water or land or the atmosphere

and
- (2) all loss, Damage to Property and Bodily Injury directly or indirectly caused by such pollution or contamination.

Products Supplied

Anything which is

- (1) manufactured, sold, supplied, processed, altered or treated
- (2) repaired, serviced or tested
- (3) installed, constructed, erected or transported

by You or on Your behalf and which is no longer in Your custody or control.

Property

Material property but shall not include Data

Terrorism

Acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any other government de jure or de facto.

The Defined Territories

Great Britain, Northern Ireland, The Isle of Man, the Channel Islands or offshore installations within the continental shelf around such territories.

The Employer

The party named as the employer in the contract or agreement.

Event

One occurrence or all occurrences of a series consequent on or attributable to one source or original cause

The Insured

- (1) You
- (2) Your personal representatives in respect of legal liability You incur
- (3) At Your request
 - (a) any director, partner or Employee of Yours
 - (b) the officers, committees and members of Your
 - (i) canteen, social, sports, educational and welfare organisations
 - (ii) first aid, fire, security and ambulance services in their respective capacities as such
 - (c) any principal for whom You are carrying out a contract, to the extent required by the contract conditions
 - (d) those who hire plant to You to the extent required by the hiring conditions

or the personal representatives of any of these persons

in respect of legal liability for which You would have been entitled to indemnity if the claim has been made against You.

Each indemnified party will be subject to the terms of this Section so far as they apply.

The total amount which We pay will not exceed The Limit of Indemnity regardless of the number of parties claiming to be indemnified.

The Limit of Indemnity

The maximum amount, stated in The Schedule, which We will pay in respect of any one Event.

In respect of Pollution or Contamination The Limit of Indemnity will apply to the total of all Events happening in any one Period of Insurance.

The Period of Temporary Cover

Up to 28 days from the date on which The Insured enters into the contract or starts the work, whichever is the earlier.

The Territorial Limits

Anywhere in the world in connection with The Business conducted by You from premises within The Defined Territories.

The Works

All works completed or to be completed by You or on Your behalf including

- (1) all materials incorporated or to be incorporated
- (2) plants, tools, equipment and temporary buildings used or to be used

for the period during which You are responsible under contract conditions.

Cover

We will indemnify The Insured against

- (1) legal liability to pay Compensation and
- (2) Costs and Expenses in respect of accidental
 - (a) Personal Injury
 - (b) Damage to Property
 - (c) obstruction, trespass, nuisance or interference with any right of way, air, light or water

which arises in connection with The Business and which happens during the Period of Insurance and within The Territorial Limits.

The maximum We will pay is The Limit of Indemnity and any Costs and Expenses.

However, in respect of any claim brought in

- (1) the United States of America or any territory within its jurisdiction
- (2) Canada

The maximum We will pay, inclusive of Costs and Expenses is the Limit of Indemnity.

Clauses

The following clauses apply to this Section.

Additional Activities

The Business includes

- (1) ownership, use and upkeep of Your premises.
- (2) Upkeep of vehicles and plant which are owned and used by You.
- (3) Your canteen, social, sports, educational and welfare organisations for the benefit of any Employee.
- (4) Your first aid, fire, security and ambulance services.
- (5) Your participation at exhibitions.
- (6) Private work by any Employee, with Your prior consent, for You or for any director, partner or Employee.

Building Contracts Liability and Damage

Where You are required to take out insurance to comply with

- (1) Clause 6.5.1 of the joint contracts tribunal standard form of building contract 2005 edition or any subsequent amendment or replacement

or

- (2) the equivalent clause in other contract conditions.

We will indemnify You and The Employer in respect of any expense, liability, loss, claim or proceedings which The Employer may incur or sustain as a result of injury or Damage to any Property occurring within The Territorial Limits during The Period of Temporary Cover and caused by

- (a) collapse
- (b) subsidence
- (c) heave
- (d) vibration
- (e) weakening of or removal of support
- (f) lowering of ground water arising out of and in the course of or due to the carrying out of The Works.

The maximum amount We will pay in respect of any or all claims arising out of any one contract is The Limit of Indemnity stated in the Policy Schedule as applied to this Section of The Policy

You must ensure that

- (1) You tell Us about each contract to which this indemnity is to apply no later than seven days of

(a) entering into the contact

or

(b) starting the work

whichever is the earlier

(2) You agree the terms and pay the premium as We require in respect of this indemnity and for the continuation of this indemnity.

We will not provide indemnity in respect of

(1) the first £500 of each and every claim

(2) any expense, liability, loss, claim or proceedings

(a) as a result of the negligence, omission or default of

- (i) You, Your agents or any Employee.
- (ii) any sub-contractor, his employees or agents.

(b) as a result of errors or omissions in the planning or designing of The Works.

(c) which could be reasonably foreseen to be inevitable in view of the nature of the work to be executed or the manner of its execution.

(d) which is at the sole risk of The Employer under the terms of the contract

(3) liability assumed by The Employer by agreement and which would not have attached in the absence of any agreement.

(4) Damage to Property which comprises The Works

(5) Damage directly caused by pressure waves from aircraft or other aerial devices

Buildings Temporarily Occupied

We will indemnify The Insured in respect of legal liability for accidental Damage to premises (and their contents) temporarily occupied by The Insured for the purposes of carrying out The Business.

We will not provide indemnity in respect of Damage to

(1) premises and their contents which You own or are loaned, leased, hired or rented to

(a) The Insured.

(b) any other party who is carrying out work on Your behalf.

(2) The Works

Legal Expenses arising from Consumer Protection Act 1987 and Food Safety Act 1990

We will indemnify The Insured in respect of

(1) legal fees and expenses incurred with Our written consent for defending proceedings, including appeals

(2) costs of prosecution awarded against The Insured

which arise from criminal proceedings for any breach of Part II of the Consumer Protection Act 1987 or Part II of the Food Safety Act 1990.

We will not provide indemnity

(1) unless the proceedings relate to an actual or alleged act, omission or incident committed during The Period of Insurance within The Defined Territories and in connection with The Business.

(2) in respect of proceedings which result from any deliberate act or omission by You

(3) where indemnity is provided by another insurance policy

Contractual Liability

We will indemnify The Insured in respect of accidental Bodily Injury or Damage to Property imposed on You solely by reason of the terms of any agreement provided that the conduct and control of any claim is vested in Us.

We will not provide indemnity in respect of any agreement for or including the performance of work or Product Supplied unless liability would have attached in the absence of the agreement.

Cross Liabilities

We will indemnify each party named as The Policyholder in The Schedule as if a separate policy has been issued to each.

The total amount payable will not exceed The Limit of Indemnity regardless of the number of parties claiming to be indemnified.

Data Protection Act 1998

We will indemnify The Insured in respect of

(1) legal fees and defence costs
(2) legal liability for Compensation to an individual

(a) the subject of personal data The Insured holds

and

(b) who suffers damage or distress caused by

- (i) inaccuracy of the data
- (ii) loss of the data
- (iii) unauthorised destruction or disclosure of the data
- (iv) unauthorised access to the data arising from proceedings brought against The Insured under Section 13 of the Data Protection Act 1998.

We will not provide indemnity in respect of

(1) (a) Personal Injury other than as provided by this Clause

(b) Damage to Property

(c) fraud, dishonesty, insolvency, financial default, conspiracy, conversion, deceit, intimidation, inducement of breach of contract, injurious falsehood or breach of confidence

(d) libel, slander or defamation

(2) consequential losses

(3) liability

(a) as a result of You having authorised the destruction or disclosure of the data

(b) which could reasonably have been expected to arise as a result of any other deliberate act or omission by You

(4) any fine or statutory payment

(5) liability which arises solely by reason of the terms of any agreement

(6) liability in respect of liquidated damages or under any penalty clause

(7) legal costs or expenses or Financial Losses in respect of any order

(a) for rectification or erasure of data

(b) requiring the data to be supplemented by any other statements

(8) proceedings relating to Compensation for any

(a) Employee if the Employers' Liability Section of this policy is not in force

(b) third party if the Public and Products Liability Section of this policy is not in force.

Defective Premises

We will indemnify The Insured in respect of legal liability for accidental Bodily Injury or Damage to Property arising under

(1) the Defective Premises Act 1972

(2) the Defective Premises (Northern Ireland) Order 1975 or the Defective Premises (Landlord Liability) Act (Northern Ireland) 2001

in connection with any premises which You previously owned or occupied for the purposes of The Business

We will not provide indemnity in respect of the cost of rectifying any defect or alleged defect in such premises.

Employees' and Visitors' Personal Belongings

We will indemnify The Insured in respect of legal liability for accidental Damage to Employees' and visitors' vehicles and personal belongings, which are in the custody or control of The Insured.

We will not provide indemnity where this Property is

(1) loaned, leased, hired or rented to The Insured

(2) stored for a fee or other consideration by The Insured

(3) in the custody or control of The Insured for the purpose of being worked upon

Financial Loss – Products Liability

We will indemnify The Insured in respect of legal liability for Financial Loss as a direct result of Products Supplied.

The maximum We will pay, including Costs and Expenses, in respect of all claims made against The Insured in any one Period of Insurance is £25,000.

This indemnity only applies to claims made against The Insured during the currency of this Clause or within 30 days of its expiry.

We will not provide indemnity

(1) in respect of Financial Loss as a result of

(a) circumstances which, at inception of this Public and Products Liability Section, The Insured knew or ought to have known about and which were likely to give rise to a claim.

(b) non or late delivery of Products Supplied

(c) fraud, dishonesty, insolvency, financial default, conspiracy, conversion, deceit, intimidation, inducement of breach of contract or injurious falsehood.

(d) Passing off or infringement of any trademark, trade name, merchandise mark, registered design, copyright or patent right.

(e) liability under the Data Protection Act 1998 or any subsequent amending legislation.

(f) any diminution in value of any Property or Products Supplied.

(g) liability imposed on The Insured solely by reason of the terms of any contract conditions or agreement.

(h) Any consequence whatsoever directly or indirectly caused by or contributed to or arising from

(i) the presence of

(ii) the release of

Asbestos including any product containing Asbestos.

(i) (i) the transmission or impact of any Virus

(ii) any unauthorised access to a System

(iii) interruption or interference with electronic means of communication used in the conduct of the Insured's Business including but not limited to any diminution in the performance of any website or electronic means of communication

- (iv) Failure of a System
- (v) damage to Data but not limited to any
 - (1) loss or destruction or corruption of Data whether in whole or in part
 - (2) unauthorised appropriation use access to or modification of Data
 - (3) unauthorised transmission of Data to any third party
 - (4) misinterpretation use or misuse of Data
 - (5) operator error

Legal Expenses arising from Health and Safety Legislation

We will indemnify The Insured in respect of

- (1) legal fees and expenses incurred with our written consent for defending proceedings, including appeals
- (2) cost of prosecution awarded against The Insured

which arise from any health and safety inquiry or criminal proceedings for any breach of the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978.

We will not provide indemnity

- (1) unless the proceedings relate to an actual or alleged act, omission or incident committed during the Period of Insurance within The Defined Territories and in connection with The Business.
- (2) in respect of proceedings which
 - (a) result from any deliberate act or omission by You
 - (b) relate to the health and safety of any Employee
- (3) where indemnity is provided by another insurance policy

Hired or Rented Premises

We will indemnify The Insured in respect of legal liability for accidental Damage to premises (including fixtures and fittings) within The Defined Territories which are hired, rented or loaned to The Insured in connection with The Business.

We will not provide indemnity in respect of

- (1) the first £250 of Compensation, Costs and Expenses in respect of such Damage caused other than by fire or explosion
- (2) liability imposed on The Insured solely by reason of the terms of any hiring or renting agreement.
- (3) Damage caused by fire or any other peril against which any hiring or renting agreement specifies that insurance is taken out by The Insured.

Motor Contingent Liability

We will indemnify You in respect of Your legal liability for

accidental Bodily Injury and Damage to Property which arises from any vehicle or trailer attached thereto which is

- (1) (a) not owned by
 - (b) not loaned, leased, hired or rented to You nor provided by You
- and
- (2) being used in connection with The Business in The Defined Territories

We will not provide indemnity

- (1) in respect of Damage to the vehicle or trailer or goods carried in or on the vehicle or trailer
- (2) while the vehicle is being driven by
 - (a) You
 - (b) any person who to Your knowledge or that of Your representatives does not hold a licence to drive the vehicle unless such person has held and is not disqualified from holding or obtaining such a licence.
- (3) where indemnity is provided by another insurance policy

Overseas Personal Liability

We will indemnify You and, at Your request, any director, partner or Employee of Yours in respect of legal liability for accidental Bodily Injury or Damage to Property incurred in a personal capacity whilst such persons are temporarily outside The Defined Territories in connection with The Business.

We will also indemnify any accompanying spouse and children.

Where You are an individual, this indemnity will also apply to Your personal liability whilst away from Your business premises in connection with The Business but within The Defined Territories.

We will not provide indemnity

- (1) where liability arises from
 - (a) any agreement unless liability would have existed otherwise
 - (b) ownership or occupation of land or buildings
 - (c) the carrying on of any trade or profession
 - (d) ownership, possession or use of wild animals, firearms (other than sporting guns) mechanically propelled vehicles, aircraft or watercraft.
- (2) where indemnity is provided by another insurance policy

Payment for Court Attendance

We will compensate You if, at Our request, You, any director, partner or Employee of Yours, is attending court as a witness in connection with a claim for which The Insured is entitled to indemnity.

The maximum We will pay for

- (1) You, each director or partner is £500 per day
- (2) each Employee is £250 per day

Temporary Employees

We will provide indemnity in respect of liability arising out of the employment of temporary Employees provided that the total number of days during which all such temporary Employees are employed does not exceed 50 days during any one Period of Insurance.

For the purpose of this Clause the total number of days employed shall mean the combined total of all days employed for all temporary Employees.

Exceptions

The following exceptions apply to this Section.
(Also refer to the Policy Exceptions at the back of this policy booklet).

We will not provide indemnity in respect of

- (1) Personal Injury to any Employee arising out of and in the course of employment by You in The Business
- (2) the ownership, possession or use by or on behalf of The Insured of any
 - (a) aircraft, aerial device, watercraft or hovercraft
 - (b) motor vehicle, trailer or plant in circumstances where compulsory insurance or security is required by any road traffic legislation other than
 - (i) where described in the Motor Contingent Liability Clause
 - (ii) the loading or unloading of any such vehicle, trailer or plant where indemnity is not provided by another insurance policy.
 - (iii) hand propelled or sailing craft which are less than 8 metres in length and barges used solely on inland or territorial waters.
- (3) Damage to Property
 - (a) which You own or is loaned, leased, hired or rented to The Insured
 - (b) which is held in trust or in the custody or control of
 - (i) The Insured

- (ii) any other party who is carrying out work on Your behalf

other than in the circumstances described in the Hired or Rented Premises Clause or the Employees' and Visitors' Personal Belongings Clause or the Buildings Temporarily Occupied Clause.

- (4) Damage to or the cost incurred by anyone in repairing, removing, replacing, reapplying, rectifying or reinstating
 - (a) Products Supplied (other than Products Supplied previously under a separate contract).
 - (b) The Works
- (5) recalling or making refunds in respect of
 - (a) Products Supplied
 - (b) The Works
- (6) advice, instruction, consultancy, design, formula, specification, inspection, certification or testing performed or provided separately for a fee or under a separate contract.
- (7) the carrying out of any work or any Products Supplied for incorporation within any aircraft or other aerial device.
- (8) Pollution or Contamination
 - (a) occurring in the United States of America or Canada.
 - (b) other than caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance.

All Pollution or Contamination which arises out of one incident will be deemed to have happened at the time such incident takes place.
- (9) work Offshore
- (10)
 - (a) liquidated damages
 - (b) penalty clauses
 - (c) fines
 - (d) aggravated, restitutionary, punitive or exemplary damages or any additional damages resulting from the multiplication of compensatory damages or other non-compensatory damages
- (11) any consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or event
 - (a) Terrorism

(b) any action taken in controlling, preventing, suppressing or in any way relation to (a) above

except as stated in **Special Provision – Terrorism** below

In any action, suit or other proceedings where We allege that any consequence whatsoever resulting directly or indirectly from or in connection with (11) (a) and / or (11) (b) above regardless of any other contributory cause or event is not covered under this Section (or is covered only up to a specified limit of liability) the burden of providing g that any such consequence is covered (or is covered beyond that limit of liability) under this Section shall be upon You.

Special Provision – Terrorism

Subject otherwise to the terms of the policy

Neither of the exclusions in (11) (a) and (11) (b) above shall apply to the Public and Products Liability Section but The Limit of Indemnity for the purpose of this Special Provision – Terrorism is limited to £5,000,000 or any other amount specified in the policy for Public and/or Products Liability whichever is the lower.

(12) The amount of The Excess shown in The Schedule as applying in respect of each and every Event resulting in Damage to Property.

You will reimburse any such amount paid by Us.

(13) (a) fears of the consequences of exposure to or inhalation of

(b) the costs incurred by anyone in repairing, removing, replacing, recalling, rectifying, reinstating or managing (including those of any persons under any statutory duty to manage) any Property arising out of the presence of

Asbestos including any products containing Asbestos.

(14) Products Supplied which The Insured knew, knows or could be expected to know would be used within the United States of America or Canada.

Conditions

The following conditions apply to this Section. (Also refer to the policy conditions at the back of this policy booklet).

1 Suspension of Cover

We may, at any reasonable time, inspect any Property and, in the event of any defect or danger being apparent, We may by written notice to You suspend all Our liability that might otherwise arise from such defect or danger.

2 Burning and Welding

In respect of the use away from Your own premises of

(a) electric, oxy-acetylene or similar welding or cutting equipment

(b) cutting or grinding equipment using abrasive disks or wheels

(c) blow lamp, blow torch, hot air gun or hot air stripper

(d) asphalt, bitumen, tar or pitch heater

the following precautions will be complied with on every occasion

1. Adequate and suitable portable fire extinguishers to British Standard 5423:1987 or its predecessors or successors in full working order will be kept at each area of work and used immediately smoke or smouldering or flames are detected
2. The area in the immediate vicinity of the work shall be cleared of all moveable combustible material. Combustible materials which cannot be moved must be covered and protected by over-lapping sheets or screens of non-combustible material
3. A fire safety check of the working area to discover smoke smouldering or flames (including spaces behind walls and screens or partitions and above false ceilings) shall be made at regular intervals during the work and between 30 minutes and 60 minutes after completion of each period of work and immediate steps taken to extinguish any smouldering or flames discovered
4. Heat equipment will not be left unattended whilst hot or lit or switched on
5. Where there is more than one person working at a site where heat is being used The Insured shall appoint a responsible person at each such site to ensure that the precautions stipulated in this condition are fully observed
6. Blow lamps and blow torches must be filled in the open and must not be lit until immediately before use and shall be extinguished immediately after use
7. The heating of asphalt bitumen tar or pitch must be carried out in the open in a vessel designed for that purpose placed on a non-combustible surface

In respect of each and every claim for loss of or Damage to Property arising from the performance of work involving the application of heat We will not be liable for the amount of the Excess shown in The Schedule.

3 Underground Services

In respect of loss of or damage to cables, pipes or other services located underground it is a condition of this policy that The Insured, prior to undertaking digging, boring or excavation has

1. taken or caused to be taken all reasonable measures to identify the location of such cables, pipes and services

before any work is commenced which may involve a risk of damage thereto. Reasonable measures include contacting the appropriate authorities where it is possible that any cables, pipes or services are under the site.

2. retained a written record on the measures which were taken to locate such cables, pipes and services.
3. conveyed the location of such cables, pipes or services to those who are carrying out such work on behalf of The Insured.

The Indemnity shall in any case be restricted to the actual cost of repair or replacement of such cables, pipes or other services as assessed by an independent surveyor and shall not extend to cover any additional costs for loss of use or penalties and/or fines which are imposed upon The Insured by the relevant authorities as a result of consequential loss or damage.

Additional Endorsements

This Section extends to include the following additional endorsements, only if stated as applying in The Schedule.

A Products Supplied Aggregate Limit

In respect of Products Supplied The Limit of Indemnity will apply to the total of all Events happening in any one Period of Insurance.

B Products Supplied Restriction

We will not provide indemnity in respect of Products Supplied other than

- (a) the sale or supply of food and drink
- (b) the supply of office requisites
- (c) the disposal of furniture and office equipment previously used in the course of The Business

D Erection of Buildings

We will only indemnify The Insured in respect of contracts, undertaken by The Insured, for the erection of buildings not exceeding fifteen metres in height and including any

- (a) partial or total demolition
- (b) road and footpath construction
- (c) laying pipes, drains and sewers

forming part of the contract.

We will not provide indemnity in respect of piling work or the use of explosives.

E General Builders

We will indemnify The Insured in respect of

- (1) (a) partial or total demolition

(b) road and footpath construction

(c) laying pipes, drains and sewers

only if this forms part of a contract undertaken by The Insured for the erection, alteration, maintenance or repair of buildings or structures.

- (2) partial or total demolition of structures not exceeding four metres in height.

We will not provide indemnity in respect of

(a) piling work, water diversion or the use of explosives.

(b) the construction of or work on towers, steeples, chimney shafts, blast furnaces, viaducts, bridges, docks, tunnels, dams or reservoirs.

F Civil Engineering Contractors including Road and Sewer Contractors

We will indemnify The Insured in respect of

- (1) partial or total demolition

(a) of structures as part of a contract, undertaken by The Insured, for erection, reconstruction, alteration, of maintenance or repair.

(b) of other structures not exceeding four metres in height.

- (2) piling work contracts undertaken by The Insured for sheet piles in respect of the temporary support of trenches.

We will not provide indemnity in respect of

- (1) piling work contracts other than the use of sheet piles for the temporary support of trenches.

(2) water diversion or the use of explosives.

- (3) the construction of

(a) towers, steeples, chimney shafts, blast furnaces.

(b) viaducts, bridges and flyovers other than for surfacing or resurfacing of roads thereon.

(c) docks, quaysides, jetties, harbours, tunnels, dams or reservoirs.

- (4) digging below the Depth Limit shown in The Schedule.

Section 3 – Contract Works

Definitions

(Also refer to the Policy Definitions at the front of this policy booklet).

The following definitions apply to this Section and shall keep the same meaning wherever they appear in this Section, unless an alternative definition is stated to apply.

Contract

Any contract or agreement, entered into by You to carry out work in the course of The Business where the estimated Maximum Contract Price does not exceed the amount stated in The Schedule.

Contract Site

(1) A site within the Territorial Limits at which You are carrying out work under a Contract

or

(2) The site address stated in The Schedule if cover applies to a specific Contract.

Damage

Physical

(1) loss

(2) destruction

(3) damage.

Employee's Tools

Employee's tools and personal belongings while on or adjacent to any Contract Site and in transit between Your premises and the Contract Site other than

(1) motor vehicles.

(2) gold or silver articles.

(3) watches or jewellery.

(4) Money.

Estimated Original Contract Price

The estimated valuation of the Works to be carried out or the estimated contract price at the commencement date of the Contract or Works.

Excess/Excesses

The amount or amounts shown in Your policy or The Schedule which You must pay for each and every claim and You will reimburse any such amount paid by Us.

Existing Structures

Any property (including fixtures, fittings and contents) which, prior to the commencement of any Contract, forms part of any structure.

Free Issue Materials

Materials for incorporation into the Contract

(1) issued free to You by or on behalf of Your Employer

and

(2) for which You are responsible under the conditions of the Contract

the value of which will not be included in the final valuation of the Works carried out or the final contract price and which are not otherwise excluded from this Section.

Hired in Plant

Plant, scaffolding, tools, equipment, site huts and temporary buildings hired in by You for use in connection with any Contract while anywhere within the Territorial Limits including transit other than by sea or air.

Maintenance Period

The period indicated in the conditions of the Contract, but not exceeding 12 months, during which You are responsible for rectifying defects.

Maximum Contract Price

The maximum price of any Contract for which We will provide indemnity as stated in The Schedule.

Practical Completion

Works which are

(1) completed

or

(2) complete except for the prospective buyer's or tenant's choice of decorations or final fitments.

Property Insured

Works, Your Plant and Hired in Plant which You own or are responsible for as stated in The Schedule.

Territorial Limits

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

Works

(1) Temporary or permanent works completed or to be completed as part of any Contract

and/or

(2) Materials for incorporation whilst on or adjacent to the Contract Site and in transit to or from the Contract Site other than by sea or air.

Your Plant

Plant, scaffolding, tools, equipment, site huts and temporary buildings owned by You, while anywhere within the Territorial Limits including transit other than by sea or air.

Cover

We will indemnify You in respect of Damage to the Property Insured during the Period of Insurance and within the Territorial Limits.

The maximum that We will pay in respect of any one occurrence which gives rise to a claim under this Section is for

(1) Works

(which includes any liability We may have in respect of the cover provided under the Clauses) 125% of the Estimated Original Contract Price including the value of Free Issue Materials in respect of any Contract or Works.

We will have no liability under this Section where the Estimated Original Contract Price plus the value of Free Issue Materials exceeds the Sum Insured stated in The Schedule at the time of damage.

(2) Your Plant

The Sum Insured stated in The Schedule at the time of Damage.

(3) Hired in Plant

The Sum Insured stated in The Schedule at the time of Damage.

(4) Employee's Tools

The Sum Insured stated in The Schedule at the time of Damage.

The maximum that We will pay in respect of any one Employee is the limit stated in The Schedule.

Clauses

The following clauses apply to this Section.

Additional Interests

We will, to the extent required by the conditions of the Contract, include the interest as joint Insured of any

(a) employer

or

(b) contractor.

Automatic Reinstatement of Sum Insured

The Sums Insured stated in The Schedule will not be reduced by the amount of any claim unless We or You give notice to the contrary.

You must pay the additional premium required to reinstate the Sums Insured.

Consecutive Damage

Damage to Property Insured at any one Contract Site during a period of 72 hours caused by

(1) earthquake

(2) storm, flood or other water damage

(3) subsidence or collapse

will be considered for the purpose of applying any Excess as one occurrence of Damage.

Continuing Hire Charges

We will indemnify You in respect of Your legal liability to pay continuing hire charges as a result of Damage to any item of Hired in Plant insured under this Section.

Damage to Security Devices

If the attempted theft of any vehicle included within Your Plant or Hired in Plant results in Damage only to the vehicle immobiliser, locating, tracking or other security device, We will apply a reduced Excess of £50.

Debris Removal

We will indemnify You in respect of the costs and expenses that You incur, with Our consent, for

(1) removing debris

(2) dismantling or demolishing

(3) shoring up or propping

(4) clearing or repairing drains or service or mains

following Damage to Property Insured.

The maximum that We will pay in respect of any one loss is 25% of the Estimated Original Contract Price.

We will not indemnify You in respect of costs and expenses

(a) incurred in removing debris from anywhere other than the site of the Damage and the area adjacent to it.

(b) arising from pollution or contamination of consecutive property not insured under this Section.

(c) more specifically insured.

Dwellings

All Contracts or Works solely concerned with the erection of private dwellings not exceeding four storeys in height are insured under this Section irrespective of the Estimated Original Contract Price of such Contracts.

The maximum that We will pay in respect of any one loss is 125% of the Sum Insured in the description of the Contract or Works in The Schedule.

European Union and Public Authorities Clause

Following Damage to Works, We will pay the additional cost of reinstating the Property Insured necessary to comply with any

(a) European Union Legislation.

(b) Act of Parliament.

(c) Bye-Laws of any public authority

We will not indemnify You in respect of

- (1) costs incurred
 - (a) in respect of Damage not insured by this Section.
 - (b) where notice was served on You before the Damage occurred.
 - (c) where an existing requirement must be completed within a stipulated period.
 - (d) in respect of property or parts of the property, other than foundations (unless foundations are specifically excluded) which have not suffered Damage
- (2) any charge or assessment arising from capital appreciation following compliance with this legislation.

The reinstatement, repair or replacement

- (a) must begin and be carried out as quickly as possible.
- (b) may be carried out on another site if necessary provided this does not increase Our liability.

If Our liability under this Section is reduced by the application of any terms of this policy, Our liability under this clause will be similarly reduced.

The maximum We will pay under this Clause in respect of any one Contract is the Sum Insured as stated in The Schedule.

Expediting Expenses

We will indemnify You in respect of the reasonable costs and expenses that You incur for

- (1) overtime
- (2) nightwork
- (3) work on public holidays
- (4) special delivery

to reinstate or repair Property Insured following Damage.

The maximum that We will pay in respect of any one loss is 25% of the amount which reinstatement, repair or replacement would have cost if these expenses had not been incurred.

Free Issue Materials

The Works will include any Free Issue Materials provided You include their value in

- (1) the contract price of any Contract
- (2) the declaration required by the Adjustment. of Premium Condition of this Section.

Immobilised Plant

We will indemnify You in respect of necessarily incurred costs for the withdrawal or recovery of Your Plant or Hired in Plant accidentally immobilised on or adjacent to any Contract Site.

We will not pay for withdrawal or recovery required as a result of the breakdown of Your Plant or Hired in Plant.

Incidental Hiring of Plant

We will indemnify You in respect of Damage to any item of Your Plant while it is hired or loaned to a third party.

The maximum that We will pay is £35,000 in respect of any one loss.

Indemnity to Sub-Contractors

We will, to the extent required by contract conditions, provide indemnity to nominated or domestic sub-contractors in respect of Damage to the Property Insured.

Loss of Keys

If the key to any immobiliser permanently fitted to a vehicle included as Your Plant or Hired in Plant is lost or stolen, We will indemnify You in respect of the cost of replacing the cylinder of the lock.

The maximum that We will pay is £1,000 in respect of any one loss.

We will not indemnify You in respect of the first £50 of each claim.

Off-Site Storage

The Works includes materials, anywhere within the Territorial Limits, separately stored and identified for inclusion in any Contract.

The maximum that We will pay in respect of any one loss is either

- (1) the value of the materials as detailed in an interim certificate under any standard printed contract conditions

or

- (2) £50,000.

Professional Fees

We will indemnify You in respect of professional fees necessarily incurred in reinstating, repairing or replacing the Works following Damage.

We will not indemnify You in respect of fees

- (a) more specifically insured.
- (b) incurred in preparing a claim.

Redrawing Plans or Documents

We will indemnify You in respect of the cost of rewriting or redrawing plans, drawings or other Contract documents following Damage.

The maximum that We will pay in respect of any one loss is £25,000.

Show Properties

We will indemnify You in respect of Damage to show properties including their contents.

The maximum that We will pay in respect of the contents of any one show property is £50,000.

Speculative Building

We will indemnify You in respect of Damage to any property You have erected on a speculative basis.

This indemnity will cease on

(1) the date You sell, lease or rent the property

or

(2) 180 days from Practical Completion whichever is the earlier.

Taken Into Use

We will indemnify You in respect of Damage to any part of the permanent Works taken into use as private dwellings or offices.

This indemnity will cease when or

(1) a certificate of completion has been issued

or

(2) the permanent Works have been completed and handed over to Your employer.

Exceptions

The following exceptions apply to this Section. (Also refer to the Policy Exceptions at the back of this policy booklet).

We will not indemnify You in respect of

(1) Damage to any part of the permanent Works

(a) for which a certificate of completion has been issued

or

(b) which has been completed and handed over to Your employer

or

(c) taken into use

unless the Damage occurs

(i) during the Maintenance Period but caused before the beginning of the Maintenance Period or

(ii) while You are carrying out Your obligations under the Maintenance Period or

(iii) within 14 days of the issue of a certificate of completion but only to the extent You are responsible under the conditions of the Contract.

(2) Damage as a result of

(a) gradual deterioration or wear and tear.

(b) rust or mildew.

(c) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

(3) Repair to or replacement of any item of Your Plant or Hired in Plant caused by its own mechanical or electrical breakdown, failure, breakage or derangement other than in respect of Hired in Plant and for which You are responsible under the terms of a hire agreement not being a leasing or hire purchase agreement.

(4) Damage to

(a) Existing Structures.

(b) Money.

(c) any mechanically propelled vehicle including any trailer attached licensed for road use and for which a certificate of motor insurance is required, other than a vehicle used primarily at contract sites and not designed for the carriage of passengers or plant.

(d) any aircraft or waterborne vessel.

(e) property for which You are relieved of responsibility by the conditions of the Contract.

(5) Damage

(a) by disappearance or shortage discovered only when an inventory is taken

or

(b) which is not traceable to an event.

(6) Damage caused by pollution or contamination other than that of or to the Property Insured.

(7) liquidated damages, fines or any other penalties under contract for delay or non-completion.

(8) consequential loss or Damage of any kind.

(9) the cost of normal upkeep or making good.

(10) Damage to and the cost necessary to reinstate or repair

- (a) Property Insured which is in a defective condition due to a defect in
 - (i) design, plan or specification
 - (ii) materials
 - (iii) workmanship
 of or of any part of that Property Insured

- (b) other Property Insured to enable the reinstatement or repair of Property Insured excluded by (a) above.

This exception will not apply to other Property Insured which is free of the defective condition but is damaged as a result.

Property Insured will not be considered as having suffered Damage solely by virtue of the existence of any defect in design, plan, specification, materials or workmanship in, or in any part of, that Property Insured.

(11) the Excess/Excesses.

(12) any Damage or loss resulting from Damage occasioned by or happening through or in consequence directly or indirectly of

- (a) Terrorism regardless of any other cause or Event contributing concurrently or in any other sequence to the loss

and

(b) in Northern Ireland

- (i) riot or civil commotion
- (ii) strikers, locked-out workers or persons taking part in labour disturbances or malicious persons but this shall not apply to Damage by fire or explosion

This Section also excludes Damage or loss resulting from or in connection with any action aimed in controlling, preventing, suppressing or in any way relating to an act of Terrorism

In any action suit or other proceedings where We allege that by reason of this exclusion any Damage or loss is not covered by this Section the burden of proving that any such Damage or loss is covered under this Section shall be upon You.

(13) (a) Damage to Data which shall include but shall not be limited to

- (i) Damage to or corruption of Data whether in whole or in part
- (ii) unauthorised appropriation of use of access to or modification of Data

- (iii) unauthorised transmission of Data to any third parties

- (iv) Damage arising out of any misinterpretation use or misuse of Data

- (v) Damage arising out of any operator error in respect of Data

(b) Damage to the Property Insured or Money (if insured) arising directly or indirectly from

- (i) the transmission or impact of any Virus
- (ii) unauthorised access to a System
- (iii) interruption of or interference with electronic means of communication used in the conduct of The Insured's Business including but not limited to any diminution in the performance of any website or electronic means of communication

- (iv) Failure of a System

- (v) anything described in (a) above

but in respect of (b) (i), (b) (ii), (b)(iii) and (b)(iv), this shall not exclude subsequent Damage to the Property Insured caused by fire, lightning, explosion, earthquake, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, storm, flood, escape of water from any tank, apparatus or pipe, impact by any road vehicle or animal, accidental escape of water from any automatic sprinkler installation, subsidence, ground heave or landslip provided that such Damage does not arise by reason of any malicious act or omission.

Conditions

The following conditions apply to this Section. (Also refer to the Policy Conditions at the back of this policy booklet).

Diminution of Damage

You shall carry out and permit any action to be taken which may be reasonably practicable to diminish Damage and at Our request and expense comply with and co-operate in any measures that may be reasonably required.

Endorsements

This Section is subject to any endorsements as stated in The Schedule as applying.

Policy Conditions

Each Section of the policy contains conditions. They must be read in conjunction with the following policy conditions which apply to all Sections unless otherwise stated.

(1) Alteration of risk

We will at Our option avoid the policy from the inception of this insurance where

- (a) there has been any alteration to the property insured and / or the premises and / or the business after the effective date of this insurance which increases the risk of loss, liability, destruction, damage, accident or injury.

or

- (b) Your interest ceases except by will or operation of law unless we have accepted the alteration.

(2) Arbitration

If We accept liability but You disagree with the amount We offer to pay, the claim will be referred to an arbitrator who will be appointed in accordance with statutory provisions.

(3) Cancellation

We may cancel the policy

- (a) by sending You 30 days written notice to Your last known address.

We will refund a proportionate part of the premium paid for the unexpired period.

- (b) immediately if the premium has not been paid or if there has been a default under an instalment or linked credit agreement.

We will not refund any instalment paid.

(4) Claims Procedure

If in relation to any claim You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must

- (a) tell us immediately of any Event or occurrence which may result in a claim
- (b) notify the police immediately of loss, destruction or damage caused by malicious persons or thieves.
- (c) At Your expense, provide us with a written claim containing as much information as possible of the loss, liability, destruction, damage, accident or injury including the amount of the claim within
 - (i) 30 days
 - or
 - (ii) seven days in the case of loss, destruction or

damage caused by riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances or malicious persons

of You becoming aware of the Event or occurrence, or such further time that We may allow.

- (d) provide us with all information and help We require in respect of the claim.
- (e) pass to us unanswered, immediately, all communications from third parties in relation to any Event which may result in a claim under this policy.
- (f) not admit or repudiate liability, nor offer to settle, compromise, make payment which may result in a claim or pay any claim under this policy without Our written agreement.
- (g) allow us to take over and conduct in Your name the defence or settlement of any claim. You will also allow us to prosecute at Our own expense and for Our own benefit, any claim for indemnity or compensation against any other person and You must give us all information and assistance required.

(5) Contribution

Applicable to Employers' Liability Section and Public and Products Liability Section.

- (a) If the insurance provided by these Sections is also covered by another policy (or would be but for the existence of these Sections), We will only indemnify You in respect of any excess beyond the amount which would be payable under such other insurance had these Sections not been effected.

Applicable to all other Sections insured by this policy

- (1) Where any loss, destruction, damage or liability covered by the policy is also covered by another policy, (or would be but for the existence of this policy), We will only pay a rateable share of the loss.
- (2) If the other insurance is subject to a condition of average and this policy is not, this policy will become subject to the same condition of average.
- (3) If the property insured covered by the other insurance is subject to a provision excluding proportional payment in whole or in part, the payment We make will be limited to the proportion of loss, destruction or damage as the sum insured bears to the value of the property.

(6) Discharge of Liability

We may at any time pay

- (a) The Limit of Indemnity
- or
- (b) the Sum Insured

or

(c) a smaller amount for which a claim can be settled

after deduction of any sum already paid.

We will not be liable for any further payment except for costs and expenses incurred prior to the payment of claim or with Our consent.

(7) Fraud

We will at Our option avoid the policy from the inception of this insurance or from the date of the claim or alleged claim, or avoid the claim

(a) if a claim made by You or anyone acting on Your behalf to obtain a policy benefit is fraudulent or intentionally exaggerated, whether ultimately material or not

or

(b) a false declaration or statement is made or fraudulent device put forward in support of a claim.

(8) Identification

The policy and The Schedule will be read as one contract

(9) Non Disclosure, Misrepresentation or Misdescription

The policy is voidable if there has been any misrepresentation, misdescription or failure to disclose any material fact by You or anyone acting for You.

(10) Reasonable Precautions

If in relation to any claim You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must

(a) maintain The Premises, machinery, plant and equipment in a satisfactory state of repair.

(b) take all reasonable precautions to prevent

- (i) loss or destruction of or damage to the Property Insured
- (ii) accident or injury to any person or loss, destruction or damage to their property

(c) comply with all legal requirements and safety regulations and conduct The Business in a lawful manner.

(d) keep books with a complete record of purchases and sales.

(11) Reinstatement

When We decide, or are required to reinstate or replace any property You will at Your expense, provide any

(a) plans

(b) documents

(c) books

(d) information

which We require

We will not be obliged to reinstate property exactly but only in a satisfactory manner as circumstances allow.

The maximum amount We will pay in respect of any one item is The Limit of Indemnity or the Sum Insured for that item.

(12) Subrogation

Anyone making a claim under this policy must, at Our request and expense, do everything We reasonably require to

(a) enforce a right or remedy

or

(b) obtain relief or indemnity

from other parties to which We will become entitled or subrogated because of payment for or making good loss, destruction, damage, accident or injury.

We may require You to carry out such actions before or after We make any admission of or payment of a claim.

(13) Subjectivity

The policy, the application form, statement of fact and/or declaration made by You, and The Schedule, should be read together and form the contract of insurance between You, (The Policyholder,) and Us (TULAC.)

(a) We will clearly state in the Schedule if the Cover provided by the policy is subject to You:

- (i) providing Us with any additional information requested by the required date(s),
- (ii) completing any actions agreed between You and Us by the required date(s),
- (iii) allowing Us to complete any actions agreed between You and Us.

(b) If required by Us, You must allow us access to The Premises, Your Contract Sites, and/or The Business, to carry out survey(s), within 60 days of the inception or renewal date, unless we agree otherwise in writing.

Upon completion of these requirements (or if they are not completed by the required dates), We may, at our option:

- (i) modify Your premium,
- (ii) issue a mid-term amendment to Your policy or Section terms and conditions,

- (iii) require You to make alterations to The Premises insured by the required date(s),
- (iv) exercise Our right to cancel Your policy,
- (v) leave the policy or Section terms and conditions, and Your premium, unaltered.

We will contact You with Our decision and where applicable, specify the date(s) by which any action(s) agreed need to be completed by You and/or any decision by Us will take effect.

Our requirements and decisions will take effect from the date(s) specified unless and until We agree otherwise in writing. If You disagree with Our requirements and/or decisions, We will consider Your comments and where We consider appropriate, will continue to negotiate with You to resolve the matter to Your and Our satisfaction. In the event that the matter cannot be resolved:

- (i) You have the right to cancel this policy from a date agreed by You and Us and, providing no claims have been made, We will refund a proportionate part of the premium paid for the unexpired period of cover.
- (ii) We may, at Our option, exercise Our right under Policy Condition (3) Cancellation.

Except where stated all other policy and Section terms and conditions will continue to apply.

The above conditions do not affect Our right to void the policy if We discover information material to Our acceptance of the risk. Please refer to the IMPORTANT note within The Contract of Insurance page of Your policy booklet.

Policy Exceptions

Each Section of the policy contains exceptions. They must be read in conjunction with the following Policy Exceptions which apply to all Sections unless otherwise stated.

We will not provide indemnity in respect of

(1) any consequence whatsoever resulting directly or indirectly from or in connection with any of the following, regardless of any other contributory cause or Event.

(a) war, invasion, act of foreign enemy, hostilities or a warlike operation or operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power.

(b) nationalisation, confiscation, requisition seizure or destruction by any government or any public authority.

(c) Any action taken in controlling, preventing, suppressing or in any way relating to (a) and / or (b) above.

However,

(1) Exceptions (1) (a) (b) and (c) do not apply to the following Sections, when insured by this policy.

a. Terrorism

b. Employers' Liability

(2) Exception (1) (b) does not apply to the Public and Products Liability Section, when insured by this policy.

(2) Personal Injury or Damage to any Property, any loss or expense whatsoever, any consequential loss or any legal liability directly or indirectly caused by or contributed to by or arising from

(a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion or nuclear fuel.

(b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.

However,

(i) in relation to the Employers' Liability Section, Exception (2) (a) only applies when You under contract or agreement have undertaken to

(a) indemnify another party

(b) assume the liability of another party.

(ii) Exception (2) (a) does not apply to the Terrorism Section, when insured by this policy

(3) (a) money

(b) securities or bonds

(c) jewellery or precious stones

(d) precious metals or bullion

(e) furs or curios

(f) rare books or works of art

(g) goods held in trust or on commission

(h) documents or manuscripts

(i) business books or computer systems records

(j) explosives

(k) property in transit

unless specifically mentioned

However, exceptions (3) (a) to (k) do not apply to the following Sections when insured by this policy

(i) Terrorism

(ii) Employers' Liability

(iii) Public and Products Liability

We are pleased to advise that from the effective date shown in Your schedule (if this is on or after 1st June 2009) Your policy has been amended. The following addendum to Your policy notes the changes in Your policy wording.

Addendum to policies:

Max 10/10 (ref: tulac/max1010/v1/jun07/6223)

Liability Combined (ref: 2651/170/PW/09.07)

The following Condition is added to Section 3 – Contract Works:

Cessation of Work

If, for whatever reason, construction work at the Contract Site is suspended or stopped, You must notify Us within 90 days of the suspension or stoppage.

We may at Our option,

- (i) modify Your premium,
- (ii) amend the terms and conditions of this Section,
- (iii) require You to make alterations to the Contract Site and/or the Works,
- (iv) exercise Our right to cancel Your policy under Policy Condition **(3) Cancellation**.

If, in the event of any claim for Damage, You have failed to advise Us that construction work at the Contract Site has been suspended or stopped, and the suspension or stoppage has been in excess of 90 days, We may at Our option, avoid the claim.