

# Contract Works Construction

## Policy document



# Contents

Data protection statement	3
Important notes	4
Our complaints procedure	5
Your Contract Works Construction policy	6
Definitions	7
Section 1 – Contract works	8
Section 2 – Employees personal tools and effects	8
Section 3 – Owned plant	8
Section 4 – Hired-in plant	8
Limit of liability	9
Extensions	10
Section 1 Exclusions	13
Section 3 Exclusions	13
General exclusions	14
Conditions	18
Claims conditions	21

# Data protection statement

Zurich takes the privacy and security of your personal information seriously. We collect, use and share your personal information so that we can provide policies and services that meet your insurance needs, in accordance with applicable data protection laws.

The type of personal information we will collect includes: basic personal information (i.e. name, address and date of birth), occupation and financial details, health and family information, claims and convictions information and where you have requested other individuals be included in the arrangement, personal information about those individuals.

We and our selected third parties will only collect and use personal information (i) where the processing is necessary in connection with providing a quotation and/or contract of insurance; (ii) to meet our legal or regulatory obligations; (iii) where you have provided the appropriate consent; (iv) for our 'legitimate interests'.

It is in our legitimate interests to collect personal information as it provides us with the information that we need to provide our services more effectively including providing information about our products and services. We will always ensure that we keep the amount of information collected and the extent of any processing to the absolute minimum to meet this legitimate interest.

A full copy of our data protection statement can be viewed via [www.zurich.co.uk/dataprotection](http://www.zurich.co.uk/dataprotection)

## How you can contact us

If you have any questions or queries about how we use your data, or require a paper copy of the statement, you can contact us via [gbz.general.data.protection@uk.zurich.com](mailto:gbz.general.data.protection@uk.zurich.com) or alternatively contact our Data Protection Officer at Zurich Insurance, Unity Place, 1 Carfax Close, Swindon, SN1 1AP.

# Important notes

## **Fraud prevention and detection**

In order to prevent and detect fraud we may at any time:

- check your personal data against counter fraud systems
- use your information to search against various publicly available and third party resources
- use industry fraud tools including undertaking credit searches and to review your claims history
- share information about you with other organisations including but not limited to the police, the Insurance Fraud Bureau (IFB), other insurers and other interested parties.

If you provide false or inaccurate information and fraud is identified, the matter will be investigated and appropriate action taken. This may result in your case being referred to the Insurance Fraud Enforcement Department (IFED) or other police forces and fraud prevention agencies. You may face fines or criminal prosecution. In addition, Zurich may register your name on the Insurance Fraud Register, an industry-wide fraud database.

## **Claims history**

We may pass information relating to claims or potential claims to any relevant database.

We and other insurers may search these databases when you apply for insurance, when claims or potential claims are notified to us or at time of renewal to validate your claims history or that of any other person or property likely to be involved in the policy or claim.

This helps to check information provided and prevent fraudulent claims.

# Our complaints procedure

## **Our commitment to customer service**

We are committed to providing a high level of customer service. If you feel we have not delivered this, we would welcome the opportunity to put things right for you.

## **Who to contact in the first instance**

Many concerns can be resolved straight away. Therefore in the first instance, please get in touch with your usual contact at Zurich or your broker or insurance intermediary, as they will generally be able to provide you with a prompt response to your satisfaction.

Contact details will be provided on correspondence that we or our representatives have sent you.

## **Many complaints can be resolved within a few days of receipt**

If we can resolve your complaint to your satisfaction within the first few days of receipt, we will do so. Otherwise, we will keep you updated with progress and will provide you with our decision as quickly as possible.

## **Next steps if you are still unhappy**

If you are not happy with the outcome of your complaint, you may be able to ask the Financial Ombudsman Service to review your case.

We will let you know if we believe the ombudsman service can consider your complaint when we provide you with our decision. The service they provide is free and impartial, but you would need to contact them within 6 months of the date of our decision.

More information about the ombudsman and the type of complaints they can review is available via their website [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

You can also contact them as follows:

**Post:** Financial Ombudsman Service, Exchange Tower, London, E14 9SR

**Telephone:** 08000 234567 (free on mobile phones and landlines)

**Email:** [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

If the Financial Ombudsman Service is unable to consider your complaint, you may wish to obtain advice from the Citizens Advice Bureau or seek legal advice.

## **The Financial Services Compensation Scheme (FSCS)**

We are covered by the Financial Services Compensation Scheme (FSCS) which means that you may be entitled to compensation if we are unable to meet our obligations to you. Further information is available on [www.fscs.org.uk](http://www.fscs.org.uk) or by contacting the FSCS directly on 0800 678 1100.

# Your Contract Works Construction policy

This policy is a contract between the Insured as stated in the schedule (also referred to as you, your, yours or yourselves) and Zurich Insurance Company Ltd (also referred to as the Company, we, our, ours or us).

This policy and any schedule, endorsement and certificate should be read as if they are one document.

We will insure you under those sections stated in the schedule during any period of insurance for which we have accepted your premium. Our liability will in no case exceed the amount of any sum insured or limit of liability stated in this policy, the schedule or any endorsement to this policy.

Any reference to the singular will include the plural and vice versa.

Any reference to any statute or statutory instrument will include any amendments thereto or re-enactment thereof.

Any heading in this policy is for ease of reference only and does not affect its interpretation.

## **Law applicable to this contract**

In the UK the law allows both you and us to choose the law applicable to this contract. This contract will be subject to the relevant law of England and Wales, Scotland, Northern Ireland, the Isle of Man or the Channel Islands depending upon your address stated in the schedule. If there is any dispute as to which law applies it will be English law. The parties agree to submit to the exclusive jurisdiction of the English courts.

This is a legal document and should be kept in a safe place.

Please read this policy and any schedule, endorsement and certificate carefully and if they do not meet your needs return them to us or your broker or insurance intermediary.

# Definitions

Certain words in this policy have special meanings. These meanings are given below and apply wherever the words appear in bold.

## **Contract**

The agreement under which the **contract works** are undertaken.

## **Contract site**

As stated in the schedule.

## **Contract works**

The permanent and temporary works executed in performance of the **contract** and materials for use in connection therewith.

## **Employees' personal tools and effects**

Personal tools and effects the property of the Insured's employees other than motor vehicles, precious metals, precious stones or articles made therefrom or money.

## **Hired-in plant**

Contractors' plant hired-in by the Insured but not on hire purchase or free loan to the Insured comprising all types of contractors' plant including scaffolding, temporary buildings, site office contents, site welfare facilities or as more specifically described in the schedule.

## **Owned plant**

Contractors' plant the property of the Insured or on hire purchase or leased to the Insured comprising all types of contractors' plant including scaffolding, temporary buildings, site office contents, site welfare facilities or as more specifically described in the schedule.

# Section 1 – Contract works

The insurance by this section is in respect of loss of or damage to the **contract works** occurring:

## Transit

- a) whilst in transit (other than by sea or air) in the United Kingdom to or from the **contract site**

## Contract site

- b) whilst on the **contract site** or adjacent thereto until the issue of a certificate of completion or until taken over by the principal and for fourteen days thereafter where the Insured is required to insure under the terms of the **contract**

## Maintenance

- c) during the period of maintenance or defects liability not exceeding twelve months:
  - i) arising from a cause occurring prior to the commencement of such period; or
  - ii) occasioned by the contractor in the course of any operations carried out by him for the purpose of complying with his obligations under the maintenance or defects liability clause in the **contract**.

Provided that the Insured shall demonstrate that any loss or damage which is first revealed during the period of maintenance or defects liability is the responsibility of the contractor under the terms of the **contract**.

# Section 2 – Employees' personal tools and effects

The insurance by this section is in respect of loss of or damage to **employees' personal tools and effects** whilst on the **contract site** or adjacent thereto.

# Section 3 – Owned plant

The insurance by this section is in respect of loss of or damage to **owned plant** whilst at any situation in the United Kingdom and whilst in transit (other than by sea or air) between such situations.

# Section 4 – Hired-in plant

The insurance by this section is in respect of the Insured's legal liability under the terms of his hiring agreement or otherwise to pay:

- a) compensation for loss of or damage to **hired-in plant** whilst in the Insured's custody or under his control at any situation in the United Kingdom and whilst in transit (other than by sea or air) between such situations
- b) continuing hire charges in consequence of loss or damage covered under Section 4a.



# Limit of liability

The amount of liability under this policy shall not exceed in addition to the amounts stated in the extensions:

## Under Section 1

the sum insured stated in the schedule which may be increased by an amount not exceeding twenty percent should the original estimated **contract** price of any insured **contract** (including the value of free-issue materials) increase by such an amount.

Where the sum insured is reduced by payment made hereunder the sum insured shall be reinstated provided the Insured shall pay such additional premium as may be required by the Company which additional premium shall be disregarded for the purpose of any adjustment of premium under this policy.

## Under Section 2

- a) In respect of any one item of property insured the market value of the item at the time of the loss or damage
- b) in respect of any one employee the sum of £500
- c) the sum insured stated in the schedule.

## Under Section 3

- a) In respect of any one item of property insured the market value of the item at the time of the loss or damage
- b) the sum insured stated in the schedule.

## Under Section 4

- a) In respect of plant the sum insured stated in the schedule
- b) in respect of continuing hire charges the sum insured stated in the schedule provided that the period in respect of which payment is made hereunder shall commence twenty four hours after the occurrence of the loss or damage and be limited to the indemnity period stated in the schedule.

In addition under Section 4 the Company will where legal proceedings have been defended with its written consent pay all legal charges for which the Insured may be liable.

# Extensions

## Applicable to Section 1

The insurance by Section 1 of this policy is extended to cover:

### 1. Free-issue materials

Free-issue materials supplied by the principal or his agents and for which the Insured is responsible under the terms of the **contract**.

Provided that the total value of all such free-issue materials is included in any declaration made to the Company.

### 2. Offsite storage

Loss or damage as herein provided to the property insured whilst in store at any situation in the United Kingdom other than the **contract site** but not where the value of the property insured in store exceeds £250,000 unless the prior consent of the Company has been obtained.

Provided that the Insured is responsible for such loss or damage under the terms of the **contract**.

### 3. Speculative development including show properties

Property being built or erected by the Insured other than under **contract**. In respect of such property cover shall cease to apply:

a) in respect of flats or maisonettes from:

- i) the date on which more specific insurance is arranged
- ii) three months after the date of Completion of the work of building or erecting the last property in that block of flats or maisonettes

whichever is the earlier

b) in respect of other property from:

- i) the date such property is sold or let; or
- ii) three months after the date of Completion of the work of building or erecting the last property on the **contract site**

whichever is the earlier.

Completion shall mean completion apart from a prospective purchaser's or tenant's choice of decorations and/or final fitments.

### 4. Principals' indemnity

Any principal in a like manner to the Insured where required by the conditions of the **contract** in respect of **contracts** undertaken in the United Kingdom only.

### 5. JCT contract conditions

The following where the Insured undertakes a **contract** under JCT Standard Form of Building Contract 1998 (or the equivalent thereof).

In respect of loss of or damage to the property insured by any of the specified perils defined in the above mentioned Standard Form of Building Contract it is agreed that so far as is required by the sub-contract the Company will not pursue any rights of subrogation against sub-contractors directly engaged by the Insured.

### 6. Expediting expenses

The costs necessarily and reasonably incurred by the Insured in making temporary repairs and expediting permanent repair including overtime working and the use of rapid transport in consequence of loss of or damage to the **contract works** for which the Insured is indemnified by Section 1.

Provided that the amount payable shall not exceed fifty per cent of the cost of repair had such costs not been incurred.

## 7. Debris removal

The costs and expenses necessarily incurred by the Insured with the consent of the Company in:

- a) removing debris
- b) dismantling and/or demolishing
- c) shoring up propping and fencing off
- d) repairing or cleaning drains sewers service mains and the like and/or dewatering
- e) temporary boarding up of windows following breakage of glass

following loss of or damage to the **contract works** for which the Insured is indemnified by Section 1.

Provided that the amount payable shall not exceed ten per cent of the limit of liability in respect of Section 1

## 8. Professional fees

The cost of architects, surveyors, consulting engineers and other professional fees necessarily and reasonably incurred in the reinstatement of the property insured following loss of or damage to the **contract works** for which the Insured is indemnified by Section 1 not being fees for preparing any claim.

Provided that the amount payable shall not exceed those authorised by the appropriate professional body.

## 9. Plans

The cost of rewriting or redrawing documents, drawings and business books but only for the value of the materials as stationery and the cost of clerical labour in writing up and not for the value of the information contained therein.

Provided that the amount payable shall not exceed one percent of the **contract** price or £25,000 whichever is the greater.

## 10. Public authorities clause

The additional cost of reinstatement following damage to property insured for which the Insured is indemnified by Section 1 of this policy solely to comply with any regulations arising out of an Act of Parliament or with bye-laws of any Municipal or Local Authority or European Union directive.

Provided that:

- a) reinstatement (which may be carried out upon another site subject to the liability not being increased thereby) is carried out without delay
- b) the amount recoverable under this clause shall not include:
  - i) the costs incurred in complying with regulations or bye-laws intimated to the Insured prior to the happening of the damage
  - ii) the costs incurred in respect of undamaged property
  - iii) the amount of any rate tax duty development or other charge which may become payable following compliance with such regulations or bye-laws.

## 11. Show Property Contents

the contents of any show property for which the Insured is responsible on the **contract site** until:

- a) the date such show property is sold or let; or
- b) three months after the date of Completion of the last property on the **contract site**

whichever is the earlier.

Provided always that:

- i) the amount payable will not exceed £25,000 in respect of the contents of any one show property; and
- ii) the Company shall not be liable for damage to any items of audio-visual equipment, computers, works of art, or antiques.

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

## Applicable to Sections 3 and 4

### 1. Recovery costs

The insurance by Sections 3 and 4 of this policy is extended to cover the costs necessarily and reasonably incurred by the Insured to recover any item of insured plant which has become accidentally immobilised during normal operation.

Provided that:

- a) such costs do not exceed the sum that would have otherwise been payable under the terms of this policy had such costs not been incurred
- b) the Company shall not be liable in respect of the cost of rectifying electrical or mechanical breakdown or derangement in order to effect recovery of insured plant
- c) the Company shall not be liable under this extension in respect of the cost of recovering plant situated underground.

# Section 1 Exclusions

The Company shall not be liable under Section 1 of this policy in respect of:

**1. Existing structures**

loss of or damage to any property forming or which has formed part of any existing structure prior to the commencement of the **contract** (or speculative building as provided for by extension 3)

**2. Breakdown during testing**

loss of or damage to any item of machinery caused by its own breakdown or explosion

**3. Normal upkeep**

the cost of normal upkeep or normal making good

**4. Limited defective condition exclusion (DE3)**

the cost of repairing, replacing or rectifying any:

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

Part a) above shall not apply to other property insured which is free of the defective condition but is damaged as a consequence thereof

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

**5. Occupation of the works**

loss or damage due to the use or occupancy other than as dwellings or offices of any portion of the permanent works by any owner tenant or occupier other than as herein provided

**6. Relief under contract**

loss or damage for which the Insured is relieved of responsibility by the conditions of the **contract**

**7. Non-ferrous metals**

theft of unfixed non-ferrous metals of any description unless at the time of the theft either:

- a) an authorised employee or agent of the Insured is actually on site; or
- b) such property is contained in a securely locked hut or building.

# Section 3 Exclusions

The Company shall not be liable under Section 3 of this policy in respect of:

**1. Breakdown**

loss of or damage to any item of plant caused by its own breakdown or explosion but not loss or damage by any ensuing cause otherwise indemnifiable under Section 3

**2. Attachments**

loss of or damage to cutting edges, tools, trailing cables or flexible pipes other than when such loss or damage results from the total loss of the complete item or items of insured plant

**3. Materials treated**

loss or damage caused by or arising out of materials treated by the insured plant or by foreign bodies entering the plant with such materials.

# General exclusions

The Company shall not be liable under this policy in respect of:

## 1. Excess

the amount stated in the schedule as the excess in respect of the cost of each and every occurrence for which the Insured is indemnified by this policy.

It is agreed that any loss of or damage to the property insured arising on any **contract site** during any one period of 72 consecutive hours caused by earthquake, storm, tempest or flood shall be deemed to be a single event and therefore to constitute one occurrence. For the purpose of the foregoing the commencement of any such period shall be decided by the Insured, it being understood and agreed that there shall be no overlapping of any two or more such periods

## 2. Inventory losses

loss of the property insured by its disappearance or by shortage if such disappearance or shortage is only revealed when an inventory is made or loss of the property insured due to its being stolen or otherwise missing unless such loss is identifiable by the Insured with a specific occurrence which has been the subject of notification under the terms of the claims procedure condition including reporting the matter to the Police

## 3. Motor vehicles

loss of or damage to any mechanically propelled vehicle other than any such vehicle not more specifically insured and which is:

- a) not licensed for road use and used in circumstances which do not require insurance or security under any Road Traffic Act legislation; or
- b) designed or adapted primarily for use as a tool of trade

## 4. Multiple lifts

loss or damage arising out of any raising or lowering operations in which a single load is shared between items of lifting and handling plant unless such operations are carried out in accordance with British Standard Code of Practice for the safe use of cranes – BS7121

## 5. Overload testing

loss or damage arising out of any item of plant undergoing any form of testing involving abnormal stresses or intentional overloading, other than overload testing undertaken in accordance with the British Standard Code of Practice for the safe use of cranes – BS7121

## 6. Waterborne risks

loss of or damage to any airborne or waterborne vessel or craft, marine rig, platform or property situated on any such vessel, craft, rig or platform

## 7. Wear and tear, corrosion

the cost of rectification or making good of wear and tear, gradual deterioration due to atmospheric conditions or otherwise, rust, corrosion or oxidation or scratching of painted or polished surfaces

## 8. Wilful act

loss or damage caused by the wilful act or wilful neglect of the Insured

## 9. Pollution

loss or damage caused by pollution or contamination other than loss of or damage to the property insured caused by pollution or contamination

## 10. Consequential loss

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

## 11. Sonic waves

loss or damage occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds

## 12. Nuclear site risks

loss of or damage to any:

- a) **nuclear material**
- b) property in the high radioactivity zone of a nuclear reactor or in any area where the level of radioactivity requires the provision of a biological shield
- c) **contract works**, not being property described by part b) of this exclusion, for construction, erection, installation, repair, maintenance or decommissioning of or in or on any building or plant which has been used is used or is designated to be used for the **production, use or storage of nuclear material** other than with the prior agreement of the Company

### Definitions

For the purposes of this exclusion:

**Nuclear material** shall mean:

- a) nuclear fuel (other than natural uranium and 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
- b) 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 radioisotopes.

**Production, use or storage of nuclear material** shall mean the production, manufacture, enrichment, conditioning, processing, reprocessing, use, storage, handling and disposal of **nuclear material**.

## 13. Nuclear risks

loss of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:

- a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any **nuclear installation, nuclear reactor** or other explosive nuclear assembly or nuclear component thereof
- c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter but this exclusion d) will not apply to radioactive isotopes other than nuclear fuel when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other peaceful purposes

### Definitions

For the purposes of this exclusion:

**Nuclear installation** shall mean any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time by statutory instrument being an installation adapted for:

- a) the production or use of atomic energy
- b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiation
- c) the storage, processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter being matter which has been produced or irradiated in the production or use of nuclear fuel.

**Nuclear reactor** shall mean any plant including any machinery, equipment or appliance whether affixed to land or not designed or adapted for the production of atomic energy by a fission process in which a controlled chain reaction can be maintained without an additional source of neutrons.

#### 14. Terrorism

loss, damage, cost or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with:

- a) any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:
  - i) involves violence against one or more persons; or
  - ii) involves damage to property; or
  - iii) endangers life other than that of the person committing the action; or
  - iv) creates a risk to health or safety of the public or a section of the public; or
  - v) is designed to interfere with or to disrupt an electronic system
- b) any action in controlling, preventing, suppressing, retaliating against, or responding to any act, or preparation in respect of action, or threat of action described in a) above.

In any action or suit or other proceedings where the Company alleges that by reason of this general exclusion cover is not provided under this policy, the burden of proving that cover is provided under this policy shall be upon the Insured

#### 15. Northern Ireland

loss or damage or consequential loss occasioned by or happening through or in consequence directly or indirectly of riot or civil commotion in Northern Ireland

#### 16. War

- a) any consequence whether direct or indirect 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 destruction of or damage to property by or under the order of any Government Public Municipal or Local Authority
- b) in the case of property outside the United Kingdom and the Republic of Ireland any consequence whether direct or indirect of warlike operations, mutiny, conspiracy, martial law or state of siege or any events or causes which determine the proclamation or maintenance of martial law or state of siege, riot, civil commotion, strike, lockout, persons taking part in labour disturbances or malicious persons acting on behalf or in connection with any political organisation

#### 17. Date related performance and functionality

- a) loss or damage
- b) consequential loss, additional expenditure or extra expenses
- c) legal liability
- d) fees, costs, disbursements, awards or other expenses

of whatsoever nature directly or indirectly caused by or contributed to by or consisting of or arising in whole or in part from:

- i) the way in which any **data processing system** responds to or deals with or fails to respond to or fails to deal with any true calendar date
- ii) any **data processing system** responding to or dealing in any way with:
  - 1) any data denoting a calendar date or dates as if such data did not denote a calendar date or dates
  - 2) any data not denoting a calendar date or dates as if such data denoted a calendar date or dates

whether such **data processing system** is the property of the Insured or not but will not exclude subsequent damage or consequential loss, additional expenditure or extra expenses (not otherwise excluded) which itself results from a **defined peril** otherwise covered under this policy

#### Definitions

For the purposes of this exclusion:

**Data processing system** shall mean any computer or data processing equipment or media or microchip or integrated circuit or any similar device or any computer software or computer firmware.

**Defined peril** shall mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, theft or attempted theft, earthquake, storm, flood, escape of water from any tank, apparatus or pipe or impact by any vehicle or by goods falling therefrom or by any animal.



## 18. Electronic risks

- a) damage caused by **virus or similar mechanism** or **hacking** or **denial of service attack** to any computer or other equipment or component or system or item which processes, stores, transmits, retrieves or receives data or any part thereof whether tangible or intangible including but without limitation any information or programs or software and whether the property is insured or not
- b) business interruption consequential loss or loss of gross profit directly or indirectly caused by or arising from **virus or similar mechanism** or **hacking** or **denial of service attack**

but this will not exclude damage business interruption or loss of gross profit which results from a **defined peril** including the acts of thieves but excluding the acts of malicious persons which do not involve physical force or violence

### Definitions

For the purposes of this exclusion:

**Defined peril** shall mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, theft or attempted theft, earthquake, storm, flood, escape of water from any tank, apparatus or pipe or impact by any vehicle or by goods falling therefrom or by any animal.

**Denial of service attack** shall mean any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems including but not limited to the generation of excess network traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks.

**Hacking** shall mean unauthorised access to any computer or other equipment or component or system or item which processes, stores, transmits, retrieves or receives data.

**Virus or similar mechanism** shall mean program code, programming instruction or any set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, data files or operations whether involving self-replication or not including but not limited to Trojan horses, worms and logic bombs.

## 19. Communicable diseases

any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with the following:

- a) a **communicable disease**; or
- b) the fear or threat (whether actual or perceived) of a **communicable disease**

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

### Definition

For the purposes of this exclusion:

**Communicable disease** shall mean any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not; and
- b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and
- c) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

# Conditions

## 1. Stoppage of work

In the event of stoppage of work by the Insured on the **contract site** from any cause for a period of three consecutive months cover under Section 1 shall be suspended unless its continuance be agreed in writing by the Company.

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

## 2. Series defects

If the development or discovery of a defect in any part of the property insured by Section 1 shall indicate or suggest that similar defects exist in other parts of the said property the Insured shall forthwith investigate and if necessary rectify the defects in such other parts at his own expense or alternatively bear all losses arising out of the said defects.

## 3. Hiring out

Under Sections 3 and 4 in the case of plant hired out by the Insured the conditions of such hirings shall be no less onerous than the standard conditions of The Construction Plant-Hire Association except as agreed by the Company.

## 4. Observance of policy terms

Observance of the terms, limitations and conditions of the policy shall as far as the nature of them respectively will permit be precedent to any liability of the Company.

## 5. Fair presentation of the risk

- a) At inception and renewal of this policy and also whenever changes are made to it at the Insured's request the Insured must:
  - i) disclose to the Company all material facts in a clear and accessible manner; and
  - ii) not misrepresent any material facts.
- b) If the Insured does not comply with clause a) of this condition the Company may:
  - i) avoid this policy which means that the Company will treat it as if it had never existed and refuse all claims where any non-disclosure or misrepresentation by the Insured is proven by the Company to be deliberate or reckless in which case the Company will not return the premium paid by the Insured; and
  - ii) recover from the Insured any amount the Company has already paid for any claims including costs or expenses the Company has incurred.
- c) If the Insured does not comply with clause a) of this condition and the non-disclosure or misrepresentation is not deliberate or reckless this policy may be affected in one or more of the following ways depending on what the Company would have done if the Company had known about the facts which the Insured failed to disclose or misrepresented:
  - i) if the Company would not have provided the Insured with any cover the Company will have the option to:
    - 1) avoid the policy which means that the Company will treat it as if it had never existed and repay the premium paid; and
    - 2) recover from the Insured any amount the Company has already paid for any claims including costs or expenses the Company has incurred
  - ii) if the Company would have applied different terms to the cover the Company will have the option to treat this policy as if those different terms apply. The Company may recover any payments made by the Company on claims which have already been paid to the extent that such claims would not have been payable had such additional terms been applied
  - iii) if the Company would have charged the Insured a higher premium for providing the cover the Company will charge the Insured the additional premium which the Insured must pay in full.
- d) Where this policy provides cover for any person other than the Insured and that person would if they had taken out such cover in their own name have done so for purposes wholly or mainly unconnected with their trade, business or profession the Company will not invoke the remedies which might otherwise have been available to the Company under this condition if the failure to make a fair presentation of the risk concerns only facts or information which relate to a particular insured person other than the Insured.

Provided always that if the person concerned or the Insured acting on their behalf makes a careless misrepresentation of fact the Company may invoke the remedies available to the Company under this condition as against that particular person as if a separate insurance contract had been issued to them leaving the remainder of the policy unaffected.

## 6. Change in circumstances

The Insured must notify the Company as soon as possible during the Period of Insurance if there is any change in circumstances or to the material facts previously disclosed by the Insured to the Company or stated as material facts by the Company to the Insured which increases the risk of accident, injury, loss, damage or liability.

Upon notification of any such change the Company will be entitled to vary the premium and terms for the rest of the Period of Insurance. If the changes make the risk unacceptable to the Company then the Company is under no obligation to agree to make them and may no longer be able to provide the Insured with cover.

If the Insured does not notify the Company of any such change the Company may exercise one or more of the options described in clauses c) i), ii) and iii) of Condition 5 – Fair presentation of the risk but only with effect from the date of the change in circumstances or material facts.

## 7. Access and reasonable precautions

The Insured shall afford reasonable facilities for representatives of the Company to examine any property insured under this policy. The Insured shall also take and cause to be taken all reasonable precautions to prevent accidents and to safeguard the property insured against loss or damage and to ensure that all statutory and other regulations relating to the property insured are observed.

## 8. Cancellation rights

The Company shall not be bound to invite or accept renewal of this policy and may by thirty days' notice in writing to the Insured by recorded delivery cancel this policy at any time. The Insured shall then be entitled to a rebate of premium for the unexpired Period of Insurance.

## 9. Payment by instalments

Reference to the payment of premium includes payment by monthly instalments. If the Insured pays by this method this policy remains an annual contract and the date of the payment and the amount of instalments are governed by the terms of the credit agreement. If an instalment is not received by the due date then subject to the Consumer Credit Act 1974 (if applicable) the credit agreement and this policy will be cancelled immediately.

## 10. Contractual right of renewal (tacit)

If the Insured pays the premium to the Company using the Company's Direct Debit instalment scheme the Company will have the right (which the Company may choose not to exercise) to renew this policy each year and continue to collect premiums using this method. The Company may vary the terms of this policy (including the premium) at renewal. If the Insured decides that they do not want the Company to renew this policy provided the Insured tells the Company (or the Insured's broker or insurance intermediary) before the next renewal date the Company will not renew it.

## 11. Declaration adjustment

The Insured shall provide declarations to the Company on the basis agreed. The premium stated in the schedule is a deposit and if the premium payable on the basis agreed on the declarations provided exceeds or falls short of the deposit then the Insured shall pay or the Company shall refund the difference as the case may be.

Provided the Company shall retain the amount specified in the schedule as the minimum retained premium.

## 12. Joint code of practice

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

This additional clause shall apply to the **contract** provided that the original **contract** price is £2,500,000 or more and for the purpose of paragraph 6.3 of The Joint Code if the estimated **contract** price exceeds £20,000,000 it shall be deemed to be a large project.

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

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

Where the Company considers such a breach is of sufficient importance the Company may confirm the same by notice in writing (the notice) to the employer and the main/management contractor and the first named party forming the Insured when this is not the employer or the main/management contractor at their respective addresses nominated by the Insured at the inception of cover or as subsequently amended. Under the terms of this or any subsequent notice the Company may suspend or cancel all cover at the **contract site** concerned from the date named in the notice not being a date earlier than the date named for completion of the remedial measures it being understood that upon suspension such cover shall be reinstated when the Company is satisfied that the remedial measures have been completed. Such notice shall be given by registered post, recorded delivery, facsimile transmission or by hand.

This additional clause shall not in itself be considered a condition precedent to liability but its inclusion shall not prejudice, waive or remove the rights of the Company under the terms of this policy.

This additional clause does not apply to any public liability, employers liability, or 21.2.1 insurance provided by this policy.

In the event of cancellation only the Company agrees to return to the Insured a pro-rata proportion of the relevant part of the policy premium.

### **13. Sanctions**

Notwithstanding any other terms of this policy the Company will be deemed not to provide cover nor will the Company make any payment or provide any service or benefit to the Insured or any other party to the extent that such cover, payment, service, benefit and/or any business or activity of the Insured would violate any applicable trade or economic sanctions law or regulation.

# Claims conditions

## 1. Other insurance

The Company shall not be liable for any loss, damage or liability which at the time of the happening of such loss, damage or liability is insured by or would but for the existence of this policy be insured by any other policy or policies except in respect of any excess beyond the amount which would have been payable under the policy or policies had this insurance not been effected.

## 2. Claims procedure

In the event of any occurrence which may give rise to a claim under this policy the Insured shall:

- a) give as soon as reasonably practicable notice by telephone and in writing to the Company supplying such proofs of claim as may reasonably be required by the Company
- b) preserve any damaged or defective property which might prove necessary as evidence for examination by the Company's representatives
- c) in the case of property lost, stolen or maliciously damaged take all practicable steps (including the giving of immediate notice to the Police) to discover any guilty person and to trace and recover the missing property
- d) in the case of any claim made upon the Insured by any third party forward to the Company immediately and unacknowledged every written communication or information as to any verbal notice of claim and all proceedings
- e) in the case of property lost or damaged as a result of riot inform the Company within seven days of any such occurrence.

## 3. Third party claims procedure

In the event of any claim made upon the Insured by a third party in respect of which the Company may be liable under this insurance the Insured shall not incur any expense whether by litigation or otherwise or make any payment, settlement, arrangement or admission of liability without the written authority of the Company. The Company shall be entitled to use the name of the Insured for all purposes in connection with this insurance including the bringing, defending, enforcing or settling any legal proceedings for the benefit of the Company.

## 4. Control of claims

The Company shall be entitled in the name of the Insured to take all necessary steps for enforcing any rights against any other party before or after meeting the Insured's claim and may at its discretion take over, defend or settle any claim by a third party. The Company shall be given such information and assistance by the Insured as may be required.

## 5. Options for claims settlement

The Company may at its option repair, reinstate or replace any property lost or damaged or pay the amount of the loss or damage in money. The Company shall not be responsible for temporary repairs carried out without the consent of the Company (unless such temporary repairs are made in accordance with an Expediting Expenses clause) and any consequences thereof nor for the cost of any alterations, additions, improvements or overhauls carried out on the occasion of a repair. Where loss or damage is confined to a part of a machine or structure the Company shall be liable for only the value of that part plus the cost of any necessary dismantling and erection for which the Insured is responsible. The Insured shall not be entitled to abandon any property to the Company whether taken into possession by the Company or not.

## 6. Supplementary claims charges

In connection with any claim for loss or damage the Insured is entitled to recover supplementary charges such as custom dues packing freight profit and the like only if and so far as such charges have been provided for in the sum insured.

## 7. Fraudulent claims

If the Insured or anyone acting on the Insured's behalf:

- a) makes a fraudulent or exaggerated claim under this policy; or
- b) uses fraudulent means or devices including the submission of false or forged documents in support of a claim whether or not the claim is itself genuine; or
- c) makes a false statement in support of a claim whether or not the claim is itself genuine; or
- d) submits a claim under this policy for loss or damage which the Insured or anyone acting on the Insured's behalf or in connivance with the Insured deliberately caused; or
- e) realises after submitting what the Insured reasonably believed was a genuine claim under this policy and then fails to tell the Company that the Insured has not suffered any loss or damage; or
- f) suppresses information which the Insured knows would otherwise enable the Company to refuse to pay a claim under this policy

the Company will be entitled to refuse to pay the whole of the claim and recover any sums that the Company has already paid in respect of the claim.

The Company may also notify the Insured that the Company will be treating this policy as having terminated with effect from the date of any of the acts or omissions set out in clauses a) to f) of this condition.

If the Company terminates this policy under this condition the Insured will have no cover under this policy from the date of termination and not be entitled to any refund of premium.

If any fraud is perpetrated by or on behalf of an insured person and not on behalf of the Insured this condition should be read as if it applies only to that insured person's claim and references to this policy should be read as if they were references to the cover effected for that person alone and not to the policy as a whole.

#### **8. Arbitration rights**

If the Company admits liability for a claim but there is a dispute as to the amount to be paid the dispute will be referred to an arbitrator. The arbitrator will be appointed jointly by the Insured and the Company in accordance with the law at the time. The Insured may not take any legal action against the Company over the dispute before the arbitrator has reached a decision.

#### **9. Payments on account**

At the discretion of the Company payments on account may be made to the Insured following indemnifiable loss or damage under this policy but in no case shall any payment exceed the Company's liability in respect of such loss or damage.



**Zurich Insurance Company Ltd**

A public limited company incorporated in Switzerland. Registered in the Canton of Zurich, No. CHE-105.833.114, registered offices at Mythenquai 2, 8002 Zurich. UK Branch registered in England and Wales no BR000105. UK Branch Head Office: The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire PO15 7JZ.

Zurich Insurance Company Ltd is authorised and regulated in Switzerland by the Swiss Financial Market Supervisory Authority FINMA. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. Our firm reference number is 959113.

Communications may be monitored or recorded to improve our service and for security and regulatory purposes.

© Copyright – Zurich Insurance Company Ltd 2023. All rights reserved. Reproduction, adaptation or translation without prior written permission is prohibited except as allowed under copyright laws.