



Commercial Building Works Insurance Policy 2016

POLICY WORDING REF: PWK/0216/PW

The following summary does not contain the full terms and conditions of the contract which can be found in the insuring document, a copy of which is available on request. The summary does not form part of your policy.

Insurer

The insurance is underwritten by underwriters as shown in your schedule of insurance under a facility managed by Plum Underwriting Limited.

About your policy

PropertyWorks is a specially designed product for commercial property owners who are renovating, refurbishing or extending their properties, where the works involved are too extensive for standard commercial property insurance providers and only relates to those sections of cover which you request and we agree to insure.

The PropertyWorks policy also has the flexibility to accommodate JCT contractual obligations requiring cover to be written in the joint names of the "Employer" and the "Contractor".

THIS COVER IS ONLY AVAILABLE FOR COMMERCIAL PROPERTY OWNERS

Significant Features & Benefits

The existing structure is defined as:

The existing land, permanent buildings, **outbuildings** at the **risk address** owned by **you** including:

- Interior decorations, fixtures and fittings, fitted appliances, machinery, plant, lifts and climate control systems
- **Swimming pools**, ornamental fountains and ponds
- Hard tennis courts, terraces, patios, driveways, footpaths, walls, gates, fences and hedges
- Underground service pipes, cables, sewers, drains, fixed domestic fuel tanks, externally fixed radio and television aerials, satellite dishes, their fittings and masts, solar panels.

The contract works are defined as:

The permanent and temporary activities executed in performance of the **contract** and site materials and **free issue materials** for incorporation therein whilst at the **risk address** as detailed under the **contract works** section in the **schedule**.

The Cover - Your Property

What is covered

We will insure **you** for **accidental damage** to the **risk address** occurring during the **period of insurance** to ensure **you** are returned to the same financial position as **you** were in immediately before such damage occurred subject always to the terms, conditions and exclusions of the **policy**.

The Cover - Your Contents

What is covered:

We will insure **contents** under **your** care, custody or control for physical loss or damage caused by the numbered perils below occurring during the **period of insurance** to ensure **you** are returned to the same financial position as **you** were in immediately before such damage occurred subject always to the terms, conditions and exclusions of the **policy**.

- fire, lightning, explosion or earthquake
- aircraft and other flying devices or items dropped from them
- storm, flood or weight of snow
- escape of water from fixed water tanks, apparatus or pipes
- escape of oil from a domestic fixed oil-fired heating installation and smoke damage caused by a fault in any fixed domestic heating installation
- theft or attempted theft
- collision by any vehicle or animal
- any person taking part in a riot, violent disorder, strike, labour disturbance, civil commotion or acting maliciously
- **subsidence** or **heave** of the site on which the **risk address** stands or **landslip**
- falling trees, telegraph poles or lamp-posts

Special Extensions

- Architects, Surveyors Engineers Fees and Costs
- Debris Clearance Fees and Costs
- Government or Local Authority Fees and Costs
- Automatic Increase for Existing Structure
- Automatic Increase for Contract Works
- Advance Loss of Profits
- Automatic Reinstatement following a Claim
- Expediting Expenses
- Free Issue Materials
- Plans and Specifications
- Pollution Clean up costs
- Rectification Period
- Avoidance of Impending Accidental Damage
- Breakdown
- Offsite Storage
- Trace and Access
- VAT Extension
- Fire Brigade Charges

Other Interests

We will note the interest of any financial institution or **other party** with respect to this section of the **policy** as requested by **you** or **your contractor(s)** as soon as **we** have issued confirmation in writing of **our** acceptance.

Insurance for Other Parties

Unless cover is otherwise restricted or extended the inclusion of the **other parties** as joint insured under section 1 applies to the extent required by any conditions of the **contract** applying between **you** and the **contractor(s)**.

We retain rights of recourse at Law against negligent **other parties** in all other circumstances.

If the **other parties** shown in the **schedule** consist of more than one party, each operating as a separate and distinct entity and cover applies to them under **contract**, then the cover under the **policy** shall apply as if individual policies have been issued to each **other party**.

The total **we** will pay to **you** and all of the **other parties** collectively shall not exceed the **sum insured** shown in the **schedule** plus any limit shown under any special extension which applies and gives cover over and above the **sum insured** shown in the **schedule**.

Any payment or payments by **us** to **you** or any one or more **other party** shall reduce to the extent of that payment, the liability of **us** to **you** and all **other parties** covered by the **policy**, arising out of any one event giving rise to a claim under the **policy**.

We shall at all times be entitled to avoid liability to, or claim damages from **you** or any of the **other parties** in the event of a **vitiating act**.

Any **vitiating act** committed by **you** or any **other party** shall not prejudice the right of payment to **you** or any **other party** who has not committed a **vitiating act**.

We will waive all rights of subrogation which **we** may have or acquire against any **other party** except where the rights of subrogation or recourse are acquired in consequence of or otherwise following a **vitiating act** in which circumstances **we** may enforce such rights notwithstanding the continuing or former status of the vitiating party as any **other party**.

Any lenders to the project shall not be entitled to any payment under the **policy** arising from loss, destruction or damage in respect of which **we** by reason of a **vitiating act** are no longer liable to pay any one or more **other party**.

Significant Exclusions

The following section 1 specific exclusions apply in addition to the General Exclusions.

What is not covered

1. **Accidental damage** to the **risk address** (or any part thereof)

- a) in respect of which a certificate of completion or taking over certificate has been issued by **your contractor(s)**
- b) which has been completed and handed over to **you**

However where completed aspects are handed over to **you** during the **period of insurance** this exclusion shall not apply if the **existing structure** is insured under this insurance and where other phases of the **contract works** remain incomplete. Where this is the case:

- i. the **contract works sum insured** shall automatically be reduced by the amount of the **contract works** completed and handed over to **you**, and
- ii. the **existing structure sum insured** shall automatically be increased by the same amount of the reduction.

2. **Accidental damage** occurring 30 days after the **contractor(s)** has substantially ceased the **contract works** at the **risk address** (other than for normal stoppages at the end of the day at weekends or holidays) unless **you** have given **us** prior notice in writing with the details of **contract works** completed and outstanding, **you** have received **our** agreement to continue this insurance and **you** have agreed to accept any terms imposed by **us**.

3. **Accidental damage** by **subsidence** or **heave** of the **site** or **landslip**:

- a) to **swimming pools**, hot tubs, tennis courts, service tanks, central heating oil tanks, ground source heating
- b) pumps, terraces, paths, drives, walls, fences, gates and hedges unless the **risk address** is damaged by the same cause and at the same time
- c) caused by or arising from impact and infill
- d) caused by or arising from **settlement**
- e) caused by or arising from riverbank or coastal erosion
- f) caused by or arising from any movement of solid floor slabs, unless the foundations beneath the exterior walls of the **property** are damaged by the same cause and at the same time.

4. **Accidental damage** to property forming or which has formed part of any structure prior to the commencement of the **contract works** unless specifically insured under the **policy**.

5. Loss of property either by disappearance or by shortage if the loss is only revealed when an inventory is made or is not traceable to an identifiable event.

6. **Accidental damage** in respect of:

- a) money which term shall mean coin, bank and currency notes, cheques, travellers cheques, national giro payment orders, postal and money orders, current unused postage stamps, national savings stamps and certificates, premium bonds, luncheon vouchers, credit card and debit card vouchers, unused

franking machine units, trading stamps, gift tokens, customer redemption vouchers, holiday with pay stamps, bankers drafts, promissory notes, bonds, securities, bills of exchange, dividend warrants, V.A.T. purchase invoices or other negotiable instruments

- b) any private car, van, lorry or other vehicle
- c) any airborne or waterborne craft or vessel.

7. Penalties or fines for delay, lack of performance, non-completion or non-compliance with the conditions of any contract or reimbursement of any financial agreements.

8. **Accidental damage** arising outside the **territorial limits**.

9. **Accidental damage** caused by or consisting of:

- a) wear and tear, corrosion, oxidation, gradual deterioration, wet or dry rot, shrinkage, dampness, frost, marring or scratching
- b) normal upkeep or normal making good.

10. **Accidental damage** to the **contract works** arising from a defect in the **existing structure** that existed prior to the commencement of the **period of insurance**.

You are required to provide a report on the condition of the **existing structure** prior to the commencement of the **period of insurance**. If **you** fail to do so, the onus of proof will be on **you** to show that the damage did not occur as a result of a defect in the **existing structure** that was present prior to the commencement of the **period of insurance**.

Property Owners Liability Cover

This section applies only if your schedule shows that it is included.

What is covered

Cover under this section is granted to **you** only in respect of accidental **bodily injury** or **accidental damage**. There is no cover provided to **your contractor(s)** and no employers' liability provided by this insurance.

How much we will pay

We will pay **you** up to the **sum insured** shown in the **schedule** for **your** legal liability to pay as damages all sums incurred by **you** during the **period of insurance** as a direct result of any accidental **bodily injury** or **accidental damage** to material property, trespass, nuisance or obstruction arising in connection with the **risk address** and/or the **contract works**.

We will in addition pay **costs and expenses** incurred by **you** arising from, but **we** will not pay for:

- a) fines, penalties or for damages intended only to punish or make an example of **you**.
- b) the cost of putting right any defect or alleged defect.

Our liability is subject to all of the exclusions and conditions of the **policy**.

All claims caused directly or indirectly by one accident will be treated as one claim. All pollution or contamination arising out of one accident will be treated as having happened at the time the accident took place.

After arriving at a claims settlement **we** will deduct the **excess** before paying the claim.

Property Owners Liability Cover – Special Extension

Cross Liabilities Clause

Where **you** are comprised of more than one party, any claim by one party of **you** against any **other party** of **you**, will be treated as though the party claiming is not an insured party provided that this is not deemed to increase the **sum insured**.

Legal Helpline

1. Legal Helpline

Provides a 24 hour advisory service for telephone advice on any private legal problem of concern to **your** business.

The provider of the legal helpline advisory service is specified in **your schedule**.

Specialist lawyers are at hand to help **you** or if **you** need a lawyer or accountant to act for **you**.

Whilst this section does not provide legal expenses cover, the helpline may be able to offer **you** assistance under a private funding arrangement.

2. Arc Law Assistance – Legal Document Service

As an addition to the legal helpline the policy gives **you** access to Law Assistance, an online legal document service.

This will provide **you** with:

- Access to a range of free legal documents including wills
- A step by step walkthrough to assist **you** in completing the documents
- Access to a variety of additional family law documents which **you** can try for free before purchasing

The service can be accessed by visiting www.lawassistance.co.uk/la/arc where **you** can register **your** details using the voucher code available from **your** insurance advisor.

General Exclusions

The following exclusions apply to all sections of the **policy**. Additional exclusions are shown in the sections to which they apply.

What is not covered:

1. Any loss or damage

- that is not associated with the incident that caused **you** to claim
- occurring before cover starts or arising from an event before cover starts
- caused by deliberate acts by **you** or any of **your** employees
- caused by deception other than by any person using deception to gain entry to the **property**
- caused by loss of profit, business interruption or any economic loss of any kind other than covered under section 1 special extension 6 - Advanced Loss of Profits
- incurred to eliminate or reduce any consequential loss, loss of profit, business interruption or any economic loss of any kind
- caused by or resulting from the **risk address** being confiscated, taken, damaged or destroyed by or under the order of any government, public or local authority, or any emergency service
- resulting from any **contract works** being undertaken at an open trench depth of 5 metres (16 feet 4.85 inches) below the normal ground level surrounding the **property**, unless **we** have agreed and accepted such **contract works** before such **contract works** commence and the **schedule** specifically states that this exclusion no longer applies
- where **contract works** cease for 90 continuous days unless expressly agreed by **us** in writing.
- where any loss, damage or liability covered under this insurance is also covered wholly or in part under any other insurance except in respect of any amount over which would have been covered under such other insurance had this insurance not been effected
- caused by wear and tear or any other gradually operating cause, mechanical or electrical breakdown (unless occurring as a result of insured **accidental damage**), fault or failure

Examples of wear and tear excluded under this policy include but are not limited to the following:

- Damp formed over a period of time
- Leaking guttering or drainage system due to age
- Failure of a flat roof due to age
- Worn out flooring

Examples of mechanical and electrical breakdown excluded under this policy include but are not limited to the following:

- Electrical failure of electrical components
- Mechanical failure of an engine

2. Any loss or destruction of or damage to any property or any loss or expenses arising from or any legal liability of any nature 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 from the combustion of nuclear fuel, or
 - b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear components thereof.
3. Any loss, damage, expense, or legal liability caused by, contributed to, or arising from pressure waves from aircraft and other aerial devices travelling at sonic or supersonic speeds.
4. Any loss or destruction of or damage to any property, or any loss or expenses resulting or arising from, or any legal liability caused by or contributed to by or arising from;
- a) **computer viruses**, erasure or corruption of electronic data;
 - b) the failure of any equipment to correctly recognise the date or change of date.
5. Any loss or damage or liability occasioned by, happening through or resulting from war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority. However this General Exclusion shall not apply to **accidental damage** to the **risk address** from or occasioned by the detonation of munitions of war in or about the **risk address**, providing that the presence of the munitions is not the result of a state of war at the time of the **accidental damage**.
6. Any loss or liability arising from;
- any consequence of civil commotion assuming the proportion of or amounting to a popular rising martial law or the act of any lawfully constituted authority
 - loss or damage caused by or happening through or in consequence directly or indirectly of **terrorism**
 - loss or damage directly or indirectly caused by resulting from or in connection with any action taken in controlling preventing suppressing or in any way relating to any act of **terrorism**
 - loss or damage in Northern Ireland or happening through or in consequence directly or indirectly of riot, strike, civil commotion locked out workers or persons taking part in labour disturbances
7. Any loss or damage which but for the existence of this insurance would have been provided under contract, legislation, guarantee or other more specific insurance.
8. Any benefit under the **policy** to the extent that the provision of such cover, payment or such claim or provision of such benefit would expose **us** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanction, laws or regulations of the European Union, United Kingdom or United States of America.
9. Any loss, damage or liability resulting from any structural work undertaken as part of the **contract works** that is not designed and planned by a fully qualified structural engineer and carried out in line with the current building regulation with the local authority building control services overseeing the work as they deem necessary.
10. Any additional proportion, other than **our** rateable proportion of any claim loss, damage or liability covered under the **policy**, should that loss, damage or liability be covered wholly or in part under any other insurance.
11. Any loss, damage or liability to replace, repair or rectify;
- i. Any component part or individual item of the **risk address** which is defective in design plan specification materials or workmanship;
 - ii. Any part of the **risk address** lost or damaged to enable the replacement repair or rectification of **the risk address** excluded by (i) above.

Exclusions (i) above shall not apply to the other parts or items of the **risk address** which are free from defect but are damaged in consequence thereof.

For the purpose of the **policy** and not merely this exclusion the **risk address** 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 **risk address** or any part thereof.

The following special conditions apply to sections 1 and 2 of the **policy**. If **you** fail to comply with any of these special conditions this may affect the settlement of any fire claim under sections 1 and 2 of the **policy**.

1. Heat application condition

Whenever there is application of heat involving a naked flame, an open heat source, operations producing sparks or a hot air stripper at the **risk address**:

- a) all combustible material must be removed a safe distance from the area the work is being carried out.

A safe distance must be at least fifteen metres when welding or cutting is taking place.

Where such clearance is impracticable, combustible material must be covered by blankets or screens

which are both non-combustible and which prevent the transfer of heat into surrounding items or structures.

Combustible parts of the **risk address** must be protected in the same way, and

- b) at least one water (with a capacity of more than 8.2 litres), dry powder (with a weight of more than 1.2 kilograms) or other fire extinguisher of an equivalent rating or a type suitable for the combustible material and the **risk address** is kept immediately adjacent to the area of work in full working order and available for immediate use, and
- c) equipment is lit for as short a time as possible before use and extinguished immediately after use, and
- d) equipment which is lit or switched on is not left unattended, and
- e) on every occasion that work with heat occurs, one hour after work has finished, a thorough examination for any sign of combustion must be made, in and around the work area with the appropriate findings recorded and signed off by an independent party. A hot works permit system is recommended for this purpose.

2. Asphalt, bitumen and tar heaters condition

Your contractor(s) must ensure that:

- a) all heating of asphalt, bitumen, tar or pitch is carried out in a suitable vessel, at least 5 metres (16 feet 4.85 inches) from any **existing structure** and at ground level, using bottled gas, and
- b) the vessel is attended at all times whilst the source of heat is lit and whilst in use, and
- c) a suitably sized spill tray is used which can hold the entire contents of the vessel, which is both non-combustible and which prevents the transfer of heat into surrounding items or structures.

3. Joint Code of Practice

This special condition applies where the total value of the original **contract** price and the **existing structure(s)** full rebuild value exceeds a combined total of £2,500,000.

Your contractor(s) undertake to comply with the Joint Code of Practice on the Protection from Fire of Construction Sites and Buildings Undergoing Renovation Ninth Edition dated October 2015 (hereinafter referred to as the Joint Code) or any legislation, regulation or code of practice which takes its place which is current at the commencement of the **contract** (as specified in the **policy**).

Our appointed representative shall have the right at all reasonable times to enter and inspect the **risk address** for the purpose of checking whether the conditions thereon in all respects comply with the Joint Code. In the event that **we** become aware of a breach of the Joint Code **we** may inform the construction site management of the nature of the breach specifying the remedial measures **we** require and the period within which these must be completed.

Where **we** consider such a breach is of sufficient importance **we** may confirm the same by notice in writing to **you**. Under the terms of this or any subsequent notice **we** may suspend or cancel all cover under the **policy** from the date named in the notice not being a date earlier than the date named for completion of remedial measures it being understood that upon suspension such cover will be reinstated when **we** are satisfied that the remedial measures have been completed. Such notice shall be given by registered post, recorded delivery, facsimile transmission or by hand.

This special condition shall not by itself be considered a condition precedent to **our** liability, but its inclusion shall not prejudice, waive or remove **our** rights under the terms of any other **policy** exclusions, conditions or special conditions.

Special Conditions that apply to Fire Cover

The following special conditions apply to sections 1 and 2 of the **policy**. If **you** fail to comply with any of these special conditions this may affect the settlement of any fire claim under sections 1 and 2 of the **policy**.

1. Heat application condition

Whenever there is application of heat involving a naked flame, an open heat source, operations producing sparks or a hot air stripper at the **risk address**:

a) all combustible material must be removed a safe distance from the area the work is being carried out. A safe distance must be at least fifteen metres when welding or cutting is taking place.

Where such clearance is impracticable, combustible material must be covered by blankets or screens which are both non-combustible and which prevent the transfer of heat into surrounding items or structures.

Combustible parts of the **risk address** must be protected in the same way, and

b) at least one water (with a capacity of more than 8.2 litres), dry powder (with a weight of more than 1.2 kilograms) or other fire extinguisher of an equivalent rating or a type suitable for the combustible material and the **risk address** is kept immediately adjacent to the area of work in full working order and available for immediate use, and

c) equipment is lit for as short a time as possible before use and extinguished immediately after use, and

d) equipment which is lit or switched on is not left unattended, and

e) on every occasion that work with heat occurs, one hour after work has finished, a thorough examination for any sign of combustion must be made, in and around the work area with the appropriate findings recorded and signed off by an independent party. A hot works permit system is recommended for this purpose.

2. Asphalt, bitumen and tar heaters condition

Your contractor(s) must ensure that:

a) all heating of asphalt, bitumen, tar or pitch is carried out in a suitable vessel, at least 5 metres (16 feet 4.85 inches) from any **existing structure** and at ground level, using bottled gas, and

b) the vessel is attended at all times whilst the source of heat is lit and whilst in use, and

c) a suitably sized spill tray is used which can hold the entire contents of the vessel, which is both non-combustible and which prevents the transfer of heat into surrounding items or structures.

3. Joint Code of Practice

This special condition applies where the total value of the original **contract** price and the **existing structure(s)** full rebuild value exceeds a combined total of £2,500,000.

Your contractor(s) undertake to comply with the Joint Code of Practice on the Protection from Fire of Construction Sites and Buildings Undergoing Renovation Ninth Edition dated October 2015 (hereinafter referred to as the Joint Code) or any legislation, regulation or code of practice which takes its place which is current at the commencement of the **contract** (as specified in the **policy**).

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

In the event that **we** become aware of a breach of the Joint Code **we** may inform the construction site management of the nature of the breach specifying the remedial measures **we** require and the period within which these must be completed.

Where **we** consider such a breach is of sufficient importance **we** may confirm the same by notice in writing to **you**.

Under the terms of this or any subsequent notice **we** may suspend or cancel all cover under the **policy** from the date named in the notice not being a date earlier than the date named for completion of remedial measures it being understood that upon suspension such cover will be reinstated when **we** are satisfied that the remedial measures have been completed. Such notice shall be given by registered post, recorded delivery, facsimile transmission or by hand.

This special condition shall not by itself be considered a condition precedent to **our** liability, but its inclusion shall not prejudice, waive or remove **our** rights under the terms of any other **policy** exclusions, conditions or special conditions.

Special Conditions that apply to Escape of Water Cover

The following special condition applies to all sections of the **policy**. If **you** fail to comply with any of the conditions this may affect the settlement of any escape of water claim under all sections of the **policy**.

1. Quality Control of New Water Supply Systems (and/or The Alteration of Existing Water Supply Systems)

If the **contract works** involve the installation of a new water supply system or the alteration of any existing water supply system, including the replacement, repair or maintenance of any apparatus within the system, then the **contractor(s)** must:

a) pressure test all pipe work and apparatus forming part of, or attached to, the **contract works** in accordance with the manufacturers guidelines.

Unless otherwise instructed by the manufacturer's guidelines, the pressure test should be subject to an initial air test followed by sectional hydraulic testing at a minimum of 1.5 times the working pressure for a minimum duration of two hours.

Following successful sectional pressure testing, full system pressure testing at the **risk address** should be carried out inclusive of all apparatus forming part of that system, in line with manufacturer's guidelines. A minimum test period of eight hours is required.

The results of each sectional and full system test should be recorded and retained.

The pressure tests should not be conducted when the **risk address** is unattended by personnel familiar with the system and competent to attend to any escape of water.

Following successful pressure tests, appropriate test certification should be issued and retained.

Copies of each test and any issued certification should also be made available to **us** if requested, and

b) visually inspect all joints for a period of not less than two weeks after commissioning / charging the system.

In areas where no visual examination is possible, the **contractor(s)** must employ alternate detection or examination

methods at appropriate strategic points on the water supply system.

The results of each inspection should be recorded and retained for inspection by **us** if requested.

General Conditions

The following conditions apply to all sections of the **policy**. Additional conditions are shown in the sections to which they apply.

1. Multiple Premises

Each **risk address** included under this insurance is considered to be covered as if separately insured.

2. Your Duty of Care

You must take all reasonable steps to

- ensure the safety of the **risk address**
 - prevent accidents and comply with all statutory obligations and to maintain the **contract works**, machinery, plant and **existing structure** in good condition and repair
 - select **contractor(s)** who are experienced to carry out the **contract works** they will be undertaking as defined in the **contract**.
 - remedy any defect or danger as soon as it is discovered and take any necessary precautions
 - prevent any circumstances arising or cease any activity which may give rise to a claim under the **policy**
- If **you** do not, **we** will not be liable to pay any related claim.

3. Fraud Prevention

In order to protect the interests of **our** policyholders and to prevent and detect fraud, **we** may at any time:

- share information about **you** with other organisations and public bodies including the Police
- check and/or file **your** details with fraud prevention agencies and databases
- undertake credit searches and additional fraud searches

If **you** provide false or inaccurate information and fraud is identified, details will be passed to the fraud prevention

agencies and databases to prevent fraud and money laundering.

We can supply on written request by **you** details of the databases **we** access or contribute to.

4. Premium Payment

We will not make any payment under the **policy** unless **you** have paid the premium.

5. Other Insurance

We will not pay any claim if any loss, damage or liability covered under this insurance is also covered wholly or in part

under any other insurance except in respect of any amount over which would have been covered under such other insurance had this insurance not been effected.

6. Sums Insured

You must ensure that **your sum insured** represents the full value of the property insured.

For **your existing structure**, the full value is the estimated cost of rebuilding if **your buildings** were destroyed (this is not the same as the market value). It must be adequate to include rebuilding expenses.

Your sum insured for **contents** must be the cost to replace as new.

If **you** fail to ensure that **your sums insured** represent the full value of the property insured, **we** may only pay a proportion of **your** claim. For example if **your sum insured** only covers one half of the cost of rebuilding **your existing structure**, **we** will only pay one half of the cost of repair or replacement.

7. Fraudulent Claims

If **you** or anyone acting on **your** behalf makes a claim knowing it to be false or fraudulent in amount or in any other respect **we** will cancel the **policy** from the date of the fraudulent act.

We will seek to recover any payments from **you** which **we** have already made in respect of the fraudulent claim. This action will not affect any previous claims unless the fraudulent act took place before any previous claims in which case the **policy** will be cancelled from the date of the fraudulent act and therefore no cover exists after this date and **we** will seek to recover any payments from any previous claims which **we** paid **you** on or after the date of the fraudulent act.

8. Non-Invalidation

This insurance shall not be invalidated by any act or omission or by an alteration whereby the risk of **accidental damage** is increased unknown to **you** provided that when **you** become aware thereof **you** shall as soon as practically possible give notice to **us**. Any terms, conditions and exclusions applied will be in accordance with **our** usual underwriting that **we** would have applied had **you** been aware and notified **us** of such risk of **accidental damage**.

You may also be required to pay an additional premium.

9. General Property Management

You must ensure that:

- all gas, water and electricity mains supplies are disconnected if the **property** is **unoccupied** other than those required to operate any sprinkler system, fire alarm system or intruder alarm system.
- the **risk address** must be inspected internally and externally at least once every 7 days by either **you** or **your** representative to check the premises thoroughly and to carry out any work necessary to prevent **accidental damage** and maintain the security arrangements. A record of all inspections must be kept and made available to **us** on request. An example of an inspection record is included below, along with an example inspection checklist.
- all outside doors of the **property** are kept securely locked to prevent unauthorised entry when **you** or **your** representative or **your contractor(s)** are not present at the **risk address**.
- all windows of the **property** firmly secured at all times when **you** or **your** representative or **your contractor(s)** are not present at the **risk address**.
- any alarm system(s) present at the **property** are put into operation when **you** or **your** representative or **your contractor(s)** are not present at the **risk address**.
- any accumulations of combustible materials introduced to the **risk address** as part of the **contract** be adequately protected against sources of ignition and heat.
- any accumulations of waste from any **contract works** are to be removed from the **existing structure** at the end of each working day and deposited in skips. Such skips are to be situated at least 5 metres (16 feet 4.85 inches) from any **existing structure** and removed at least weekly from the **risk address**.

Example Inspection Record:

Example Inspection Checklist

Whilst not exhaustive, the following is a list of areas which **you** or **your** representative may consider including in the inspection to mitigate any loss or damage:

- Windows shut and fastened and locked
- All external doors shut, fastened and locked when the **risk address** is left unattended
- Check throughout the **property** for any signs of ingress of water
- Check inside and outside of the **property** for any signs of leaks/escape of water
- Check all windows and doors of the **property** for signs of any attempted forced entry
- Remove any build up of newspapers and post
- Consider sealing letter box
- Remove any rubbish that has accumulated outside of the **risk address** or in doorways/porches
- If fitted ensure the intruder alarm is fully functional and operates correctly

- If fitted ensure CCTV system is fully functional and operates correctly
- Ensure electrical appliances are switched off when not in use
- Ensure any uncontained electrical wiring is in good condition and no bare wires are showing
- Roof tiles in good order, no slipped or broken tiles
- Flat roofs in good condition, no rips/tears or pooling of water
- Ensure gutters and rainwater goods are regularly checked and cleared of any build up of leaves/rubbish
- Ensure trees and shrubs are maintained with any damage/diseased sections being removed
- Gardens are maintained with rubbish removed
- Ensure aerial and satellite dishes are secured
- Internally ensure water is free running through sanitary ware and there are no signs of blockages
- Lift drain inspection covers to ensure water is free running and that there are no signs of blockages
- Check level of oil in external tanks is in line with expectation
- Check oil tanks externally for damage or leaks
- Ensure central heating is functional and operates correctly including timers
- Check any **outbuildings** for signs of any attempted forced entry.

10. Risk Management

Where the total of the **existing structure sum insured** and the **contract works sum insured** is greater than or equal to £2,500,000 **we** may speak to **your broker or insurance intermediary** to arrange a mutually agreeable date and time to visit the **risk address** with **you** or **your** representative to provide **you** with risk management advice free of charge.

We may at **our** discretion offer this service to **you** if **your existing structure sum insured** and **contract works sum insured** is under £2,500,000. Where **we** do, **we** will speak to **your broker or insurance**

How to make a claim

To make a claim, **you** can contact **us** by telephone, email or post – please refer to the section ‘How to Make a Claim’ in the

schedule for the contact details.

When notifying a claim, please provide **your** name, **policy** number (shown on the **schedule**), the name of **your broker**

or insurance intermediary and full details of the **accidental damage** and/or **bodily injury**.

There are a number of claims conditions that operate, please refer to pages 13 & 14 which explain **your** duties in the event

of a claim and how **we** deal with **your** claim.

Period of Insurance

The period for which this insurance is in force as shown in **your schedule** and any subsequent period for which **we** have accepted a premium

Cooling Off and Cancellation

Cooling-Off Period

If **you** find this insurance does not meet **your** requirements, **you** are entitled to cancel this insurance by writing to **your broker or insurance intermediary** within 14 days of either the date **you** receive the **policy** documentation or the start date of the **period of insurance**, whichever is the later.

We will refund any premium **you** have paid, providing that **you** have not made a claim.

Cancellation

1. Cancellation of the **policy** by **you**:

You may cancel the **policy** at any time by notifying **us** via **your broker or insurance intermediary**.

2. Cancellation of the **policy** by **us**:

We may cancel this **policy** or any part of it if there are serious grounds to do so by giving **you** 21 days written notice via **your broker or insurance intermediary** detailing the reason for cancellation by recorded delivery to the correspondence address stated in the **schedule**.

We will detail the reason for the cancellation in **our** written notice to **your broker or insurance intermediary**.

Examples of where **we** would cancel the **policy** are as follows:

1. Where **we** have been unable to collect a premium payment following non-payment correspondence issued to **you** by **us**.
2. A change in the information **you** have previously given **us** where **we** are able to demonstrate that **we** would not normally offer insurance.
3. Unacceptable behaviour by **you** such as abusive behaviour or language, intimidation or bullying of **our** staff or suppliers.
4. **You** have deliberately misrepresented any information given to **us**.
5. **Your** failure to cooperate with **us** in accordance with **our** claims conditions where it affects **our** ability to process **your** claim.
6. If **you** have acted fraudulent in any way.
7. **You** have deliberately or falsely overstated information given to **us**.

Examples 4 and 7 above are more likely to result in **us** treating the **policy** as if it never existed as detailed under the 'Correct Information and Changes in Circumstances' notice under the 'Policy Documentation' section on page 2.

3. Cancellation by **us** following a fraudulent claim

If **you** make a fraudulent claim under the **policy** **we** will cancel the **policy** from the date of the fraudulent act.

4. Premium refund following cancellation of the **policy**:

In the event of cancellation by **you**, **your** premium refund will be calculated as follows:

If **you** cancel after the initial 14 day 'cooling off' period any refund will be on a proportional basis and always subject to the current **period of insurance** being claim free.

If **you** have made a claim in the **period of insurance** being cancelled **we** will retain 100% of the premium and no refund will be due to **you**.

In the event of cancellation by **us**, **your** premium refund will be calculated as follows:

Any refund will be on a proportional basis and always subject to the current **period of insurance** being claim free. If **you** have made a claim **you** will not be eligible for a refund and **you** must pay **us** any amount **you** still owe **us** for the period for which **you** have been insured.

Laws Applying

Choice of Law and Jurisdiction

The parties are free to choose the law applicable to this insurance contract. Unless specifically agreed to the contrary prior to the inception of the **policy**, this insurance shall be governed by the laws of England and Wales and subject to the exclusive jurisdiction of the courts of England and Wales.

Contracts (Right of Third Parties) Act 1999

A person who is not a party to this insurance has no right under the Contracts (Right of Third Parties) Act 1999 to enforce any term of this contract but this does not affect any right or remedy of any third party which exists or which is available apart from the Act.

Protecting your Information

All personal information about **you** will be treated as private and confidential (even when **you** are no longer a customer), except where the disclosure is made at **your** request or with **your** consent in relation to administering **your** insurance or where Plum Underwriting Ltd are required by law.

Some or all of the information **you** supply to Plum Underwriting Ltd in connection with **your** insurance proposal may be passed to insurance companies and other companies for underwriting, claims and premium collection purposes. **Your** data will be held in accordance with the Data Protection Act 1998, under which **you** have a right of access to see personal information about **you** that is held in our records, whether electronically or manually. If **you** have any queries, please write to **your broker or insurance intermediary**.

Plum Underwriting Ltd and/or the **underwriters** and/or credit providers may use publicly available data from a variety of sources, including credit reference agencies and other external organisations to verify **your** identity or creditworthiness, to avoid fraud, and to obtain beneficial quotes and payment options on **your** behalf. Each of the searches may appear on **your** credit report whether or not **your** application proceeds.

By agreeing to these terms and conditions **you** agree to these uses of **your** information.

Authorisation, Regulation and Compensation

The Financial Conduct Authority

The Financial Conduct Authority (FCA) want consumers to use financial services with confidence and have products that meet their needs, from firms and individuals they can trust.

To achieve this, the FCA regulates firms and financial advisers so that markets and financial systems remain sound, stable and resilient and their aim is to help firms put the interests of their customers and the integrity of the market at the core of what they do.

You can contact the FCA as follows:

The Financial Conduct Authority
25 The North Colonnade,
Canary Wharf,
London
E14 5HS
UK: 0800 111 6768 (freephone)
From abroad: +44 20 7066 1000
Email: consumer.queries@fca.org.uk

Prudential Regulation Authority

The Prudential Regulation Authority's (PRA) role is defined in terms of two statutory objectives to promote the safety and soundness of banks, building societies, credit unions, insurers and major investment firms and specifically for insurers, to contribute to the securing of an appropriate degree of protection for policyholders.

You can contact the PRA as follows:

The Prudential Regulation Authority
Bank of England, Threadneedle Street, London, EC2R 8AH
Telephone: +44 (0)20 7601 4878
From abroad: as above
Email: enquiries@bankofengland.co.uk

Financial Services Compensation Scheme

All **underwriters** providing cover under the **policy** are covered by the Financial Services Compensation Scheme.

You may be entitled to compensation from the Scheme if an **underwriter** is unable to meet its obligations to **you** under this contract.

If **you** were entitled to compensation under the Scheme, the level and extent of the compensation would depend on the nature of this contract. The Scheme contact details are as follows:

Financial Services Compensation Scheme
10th Floor,
Beaufort House,
15 St Botolph Street,
London
EC3A 7QU
Telephone: 0800 678 1100

Further information about the Scheme is available from the Financial Services Compensation Scheme:

www.fscs.org.uk.

Customer Service and Complaints Procedure Authorisation, Regulation and Compensation

Plum Underwriting and **your broker or insurance intermediary** are committed to providing **you** with the highest standard of service at all times. If **you** have any questions or queries about the **policy** or the handling of any claim, in the first instance please contact **your broker or insurance intermediary** shown on the **schedule**.

Customer Complaints Procedure

In the event that **you** wish to make a complaint regarding the **policy** or claim please follow the complaints procedure shown in the **schedule**.

Financial Ombudsman Service

The Financial Ombudsman Service is a free service set up by parliament to sort out individual complaints that consumers or small business are not able to resolve with financial businesses.

Complaints from businesses that Plum Underwriting or **underwriters** cannot settle may be referred to the Financial Ombudsman Service but only if the business has a turnover of less than EUR 2 million and fewer than 10 employees.

Please see the customer complaints procedure shown in the **schedule** for details of the Financial Ombudsman Service.