

# Contract Works section

## Policy document



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# Contract Works section

This section forms part of **your** Zurich Tradesman policy. This section, the Zurich Tradesman policy, schedule, endorsements and any certificate(s) of motor and/or employers' liability insurance should be read together as if they are one document.

## Meaning of Words

Certain words in this section of the policy have special meaning. These meanings are given below or defined at the beginning of the policy. To help **you** identify these words in the policy, **we** have printed them in **bold** wherever they appear.

### Contract

Contract or agreement between **you** and any **principal** to carry out work in accordance with **your business**.

### Contract site

Location at which the **contract works** are undertaken.

### Contract works

Permanent and temporary works undertaken in performance of a **contract** or **speculative development** and materials for use in connection with them. Free issue materials are included provided **you** are responsible for them under the terms of the **contract**.

### Damage

Loss or damage.

### Excess

The amount stated in the schedule to this section for which **you** are responsible and which will be deducted from any payment under this section after all other terms and conditions have been applied.

### Pollution or contamination

All pollution or contamination of buildings or other structures or of water or land or the atmosphere and all **damage** or bodily injury, illness, disease or death directly or indirectly caused by such pollution or contamination.

### Practical completion

Completion of work apart from the prospective purchasers or tenants choice of decorations or final fitments.

### Principal

Employer, company, partnership, public authority or individual for whom **you** have agreed to carry out work.

### Speculative development

Erection, alteration or renovation of buildings other than under **contract** for sale or letting by **you** in accordance with **your business** including show properties.

Other words with special meanings in this section are defined earlier in the Zurich Tradesman policy. They are: **business, employee, our, us, we, you, your**.

## The Cover

### Contract works

#### What is insured

**Damage** to **contract works** for which **you** are responsible occurring:

- a) in transit by road, rail, roll on / roll off ferry or inland waterway to or from the **contract site**
- b) on or adjacent to the **contract site**
- c) in the first 14 days after hand over to the **principal**
- d) in the period of maintenance or defects liability not exceeding 12 months

during the period of insurance anywhere within Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.

**We** will at **our** option indemnify **you** by payment, reinstatement, replacement or repair.

#### What is not insured

##### Completed speculative developments

**damage** to **contract works** the subject of **speculative development**

- a) after being sold or let; or
  - b) more than 90 days after **practical completion** of the last property on the **contract site**
- whichever is the earlier

##### Contracts in excess of limit of liability

**damage** to **contract works** the subject of any **contract** or **speculative development** with a value including the value of free issue materials at commencement in excess of the limit of liability shown in the schedule to this section

##### Existing structures

**damage** to any property forming or which has formed the whole or part of any building or structure existing prior to the start of the **contract** or **speculative development**

##### Breakdown

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

##### Occupation of the contract works

**damage** resulting from the occupancy other than as dwellings or offices of any portion of the **contract works** by any owner, tenant or occupier

##### Relief under contract

**damage** for which **you** are relieved of responsibility by the conditions of the **contract**

##### Nuclear site risks

**damage** to **contract works** in, on or consisting of any building or plant which has been used, is used or is designated to be used for the production use or storage of nuclear materials other than with **our** prior agreement

##### Airborne or waterborne risks

**damage** to **contract works** in or on any airborne or waterborne craft or vessel or marine rig or platform

##### Normal upkeep

the cost of normal upkeep or normal making good

##### Wear and tear

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

##### Pollution

**damage** caused by **pollution or contamination** but **we** will pay for:

- a) **damage** caused by **pollution or contamination** which occurs as a consequence of **damage** insured by this section of the policy
- b) ensuing **damage** which is not excluded by this section of the policy

### Limited defective condition

the cost of repairing replacing or rectifying:

- a) **contract works** which are in a defective condition due to a defect in design, plan, specification, materials or workmanship of such **contract works** or any part of them
- b) **contract works** lost or damaged to enable the repair, replacement or rectification of **contract works** excluded by a) above

Part a) will not apply to other **contract works** which are free of the defective condition but suffer **damage** as a result.

**damage** to the **contract works** will not be deemed to have occurred solely by virtue of the existence of any defect in design, plan, specification, materials or workmanship in the **contract works** or any part of them

### Inventory losses

loss by disappearance or by shortage which is only discovered by a routine inventory or a periodic stocktaking

### Non-ferrous metals

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

- a) an authorised **employee** or agent appointed by **you** is on the **contract site** at the time of the theft, or
- b) such property is contained within a securely locked hut or building

### Consequential loss

liquidated damages, penalties for delay or detention or in connection with guarantees of performance or efficiency or consequential loss not specifically provided for in this section of the policy.

### Limit of Liability

The most **we** will pay for all claims made for any one **contract** or **speculative development** is shown in the schedule against Contract Works.

If the value of any **contract** or **speculative development** increases after commencement to an amount in excess of the limit of liability shown in the schedule the limit of liability is automatically increased by up to 25%.

Where any limit of liability has been reduced by the amount of a claim **we** will automatically reinstate it provided **you** agree to pay any additional premium required by **us**. Such additional premium will be disregarded for the purpose of any adjustment of premium under this section.

### Extensions applying to the contract works cover

#### Debris removal costs

##### What is insured

The reasonable costs and expenses necessarily incurred by **you** for:

- 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 **damage** to the **contract works**.

The most **we** will pay is 10% of the limit of liability applicable to the **contract works**.

##### Documents

The costs and expenses incurred by **you** for clerical labour and stationery for rewriting or redrawing documents, drawings and business books following **damage** to them.

The most **we** will pay is 1% of the limit of liability applicable to **contract works**.

##### EU and public authority requirements

The additional cost of reinstatement incurred following **damage** to the **contract works** solely to comply with the stipulations of European Union legislation or building or other regulations under an Act of Parliament or public authority bye-law

Provided that:

- a) reinstatement is carried out without delay
- b) if reinstatement is carried out on another site **our** liability is not increased
- c) the limit of liability shown against **contract works** in the schedule is not exceeded.

### What is not insured

Costs incurred in complying with stipulations intimated to **you** before the **damage** occurred.

Costs incurred for undamaged property.

Any charge or assessment arising out of capital appreciation which may become payable following compliance with the stipulations.

### Expediting expenses

#### What is insured

The reasonable costs and expenses necessarily incurred by **you** in making temporary repair and expediting permanent repair including overtime working and the use of rapid transport following **damage** to the **contract works**.

The most **we** will pay for any one occurrence of **damage** is 50% of the cost of repair had such costs not been incurred or £50,000 whichever is the lesser.

### Indemnity to principal

#### What is insured

Where **you** are required by the **contract we** will indemnify any **principal** in a like manner to **you** provided that the **contract site** is within Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.

### JCT contract conditions

#### What is insured

Where **you** are working under the JCT Standard Building Contract 2005 or its equivalent **we** will not pursue **our** rights of subrogation against sub-contractors directly engaged by **you** for **damage** arising from any of the specified perils defined in the above mentioned Building Contract.

### Offsite storage

#### What is insured

**Damage** to the **contract works** which are stored in Great Britain, Northern Ireland, the Channel Islands, the Isle of Man and the European Union away from the **contract site** provided that **you** are responsible under the **contract**.

#### What is not insured

**Damage** where the value of the **contract works** in store exceeds £100,000 unless agreed by **us**.

### Professional fees

#### What is insured

The reasonable costs of architects, surveyors, consulting engineers and other professional fees necessarily incurred by **you** in the reinstatement of **contract works** following **damage**.

The most **we** will pay is the charges authorised by the appropriate professional body.

#### What is not insured

Fees incurred in the preparation of any claim.

## Special conditions applying to this section of the policy

### Damage over a 72 hour period

**Damage** at any one **contract site** during any one period of 72 consecutive hours caused by earthquake, storm or flood will be deemed to be a single event and so constitute one claim for the application of any **excess**.

For the purpose of this condition the commencement of any such period will be decided by **you** provided that no two periods will overlap.

### Multiple lifts

Any raising or lowering operation in which a single load is shared between items of lifting and handling plant will be undertaken in accordance with the British Standard Code of Practice for the Safe Use of Cranes BS7121.

### Northern Ireland

Insofar as this section of the policy covers riot and civil commotion **we** will not be liable under this section in respect of **damage** or consequential loss occasioned by or happening through or in consequence directly or indirectly of riot or civil commotion in Northern Ireland.

### Overload testing

Any form of testing involving abnormal stresses or intentional overloading will be undertaken in accordance with the British Standard Code of Practice for the Safe Use of Cranes BS7121.

### Series defects

If the development or discovery of a defect in any part of the **contract works** indicates that similar defects exist in any other parts of the **contract works** **you** will immediately investigate and if necessary rectify those defects at **your** own expense or alternatively bear all losses arising out of those defects.

### Stoppage of work

In the event of stoppage of work by **you** on the **contract site** from any cause for a period of 3 consecutive months all cover under this section of the policy will be suspended unless **we** have agreed in writing to continue cover.

In the event of a total or partial stoppage of work **you** will use due diligence and do all things reasonably practical to protect the property insured.

### Terrorism

For the purpose of this section of the policy only, the following exclusion applies in addition to the General Exclusions appearing at the end of the Zurich Tradesman policy:

**We** will not pay for 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 organisation(s) or government(s) de jure or de facto and which:
  - i) involves violence against one or more persons
  - ii) involves **damage** to property
  - iii) endangers life other than that of the person committing the act
  - iv) creates a risk to health or safety of the public or a section of the public
  - 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 as described in a) above.

In any action or suit or other proceedings where **we** allege that by reason of this exclusion cover is not provided by this section of the policy the burden of proving that cover is provided under this section will be upon **you**.

**Your attention is drawn to the General Exclusions, General Conditions and Claims Conditions contained within the Zurich Tradesman policy.**

**Zurich Insurance Company Ltd**

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