

Engineering Insurance

Part 1 –

Equipment Breakdown and Damage Insurance Policy

Specification SUD

Thank you for choosing Covéa Insurance.

This is your Equipment Breakdown and Damage Insurance policy. It sets out the details of your insurance contract with Covéa Insurance.

Your premium has been calculated upon the information shown in the policy Schedule and recorded in your Statement of Fact.

Please read the policy and Schedule carefully to ensure that the cover meets your requirements.

Please contact your broker if you have any questions or if you wish to make any adjustments.

Registration and Regulatory Information

This policy has been arranged by Covéa Insurance in accordance with a binding authority agreement with HSB Engineering Insurance Limited.

This product is administered by Covea Insurance plc, Norman Place, Reading, Berkshire RG1 8DA. Registered in England and Wales No. 613259.

Covea Insurance plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. Its Firm Reference Number is 202277.

This product is supplied and underwritten by HSB Engineering Insurance Limited, New London House, 6 London Street, London EC3R 7LP. Registered in England and Wales No. 2396114

HSB Engineering Insurance Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority No.202738.

Inspection Services are provided by HSB Engineering Insurance Services Ltd, New London House, 6 London Street, London EC3R 7LP. Registered in England and Wales No. 3010292.

HSB Engineering Insurance Services Ltd are an appointed representative of HSB Engineering Insurance Limited which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority No. 202738.

You can check a firm's regulatory authorisation and supervision on the Financial Services Register by visiting the FCA's website www.fca.org.uk/register or by contacting the FCA on 0800 111 6768.

Engineering Insurance

Introduction

Each Section of this Policy, the Schedule and any endorsements, together with this Introduction, Special Definitions, General Definitions, General Conditions, Special Exclusions and General Exclusions shall be read as one document.

Any word or expression given a specific meaning in:

1. the Schedule, and Policy Endorsements, or this Introduction, and the Definitions, Exclusions and Conditions shall have the same meaning throughout the policy unless The Company state otherwise
2. an individual Section or any Section Endorsements shall only have the same meaning throughout such Section or Endorsement unless The Company state otherwise.

Any such word or expression given a specific meaning shall be highlighted with a leading capital letter and in bold text within the policy wording.

In return for The Insured having paid or agreed to pay the premium for the period of insurance, The Company will indemnify The Insured, subject to the terms contained in or endorsed on the Policy, in respect of loss damage or liability or pay other benefits which fall within the operative Sections of this Policy, provided that the loss, damage or injury which gives rise to the claim occurs (or in the case of the Employer's Liability Section is caused) during the period of insurance and in connection with the **Insured Property**.

The Schedule shows the Sections of the Policy that are operative.

IMPORTANT

This Policy is a legal contract.

The Insured has a duty to make a fair presentation of the risk which is covered by this Policy. Therefore The Insured should ensure that any information The Insured has provided to The Company and the content of any application form, declaration and / or Statement of Fact is accurate and complete. Where The Insured has provided The Company information which relates to matters of The Insured's expectation or belief, it does not matter if such information turns out to be inaccurate provided that The Insured acted in good faith when The Insured provided The Company with such information. If The Insured does not comply with The Insured's duty to make a fair presentation of the risk, the Policy may not be valid or the Policy may not cover The Insured fully or at all.

The Insured must also tell The Company about any facts or changes which affect The Insured's insurance and which have occurred either since the Policy started or since the last renewal date.

If The Insured are not sure whether certain facts are relevant please ask your broker. If The Insured does not tell The Company about relevant changes, The Insured's policy may not be valid or the policy may not cover The Insured fully or at all.

The Insured should keep a written record (including copies of letters) of any information The Insured give The Company or your broker.


Choice of Law

The parties to an insurance contract are free to choose the law that will apply. Unless The Company agrees in writing with The Insured otherwise, this insurance shall be subject to the law applying in that part of the United Kingdom, Channel Islands or Isle of Man where The Insured have The Insured's principal place of business. If there is any dispute, the law of England and Wales shall apply

In witness whereof this Policy has been signed for and on behalf of The Company.



Managing Director



Chief Underwriting Officer

For and on behalf of
HSB Engineering Insurance Limited
New London House
6 London Street
London
EC3R 7LP

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Cover

The Company will indemnify The Insured against sudden and unforeseen loss or damage to **Insured Property** described in The Schedule whilst at the **Situation** specified in The Schedule subject to the terms Conditions and Exclusions of this Policy

Special Definitions

Insured Property

Insured Property shall mean

installed machinery and plant and mobile plant owned by or leased to The Insured for the purpose of the business as described in The Schedule at the **Situation** specified in The Schedule excluding

- (a) supporting structures lift enclosures (other than landing gates) rail tracks anchorage bolts or fixing appliances brickwork masonry foundations or chimneys
- (b) vehicles other than purpose built lifting and handling machinery
- (c) prototype and experimental machinery and plant
- (d) computer or data processing equipment unless linked and wholly dedicated to the control of any machine or production or treatment process
- (e) office equipment
- (f) communication or alarm systems
- (g) vending machines
- (h) stock in trade and products of The Insured's business

Breakdown

Breakdown shall mean

- (a) The actual breaking failure distortion or burning out of any part of the **Insured Property** whilst in ordinary use arising from defects in the **Insured Property** causing its sudden stoppage and necessitating repair or replacement before it can resume work
- (b) Fracturing of any part of the **Insured Property** by frost when such fracture renders the **Insured Property** inoperative
- (c) The actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary
- (d) Error or omission of the operator(s) during normal operation of the **Insured Property** other than in respect of failure to maintain
- (e) Joint leakage failure of welds cracking fracturing overheating of boilers economisers superheaters pressure vessels or any range of associated steam piping

Collapse

Collapse shall mean

the sudden and dangerous distortion (whether or not attended by rupture) of any part of the **Insured Property** caused by crushing stress by force of steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents)

Explosion

Explosion shall mean

the sudden and violent rending of the **Insured Property** by force of internal steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents) causing bodily displacement of any part of the **Insured Property** together with forcible ejection of the contents

Fragmentation

Fragmentation shall mean

accidental damage caused by impact to surrounding property belonging to or in the custody and control of The Insured and for which The Insured is responsible resulting from fragmentation of any part of the **Insured Property** excluding damage

- (a) to the **Insured Property** causing the damage or any **Insured Property** directly driving or driven by the **Insured Property**
- (b) to property being handled conveyed heated cooled or processed by or contained in the **Insured Property**
- (c) caused by leakage or by lack of heat cooling light power or steam
- (d) caused by and occurring during testing of **Insured Property**

Hazardous Substance

Hazardous Substance shall mean

any substance other than ammonia that has been declared to be hazardous to health or the environment by a governmental authority

Hired in Plant

Hired in Plant shall mean

equipment hired by The Insured as a temporary replacement for owned or leased **Insured Property** which is temporarily located at any other location or in transit for the purpose of repair service overhaul or maintenance but not **Insured Property** on free loan

Pressure Plant

Pressure Plant shall mean

Insured Property which stores fluids either below or above atmospheric pressure including boilers radiators and associated apparatus and pipework

Special Definitions

continued

Reinstatement

Reinstatement shall mean

Where **Insured Property** is destroyed or damaged to the extent that repair is uneconomic or impractical

- (a) if a building its re-building
- (b) if not a building its replacement by similar **Insured Property** or property but in either case in a condition equal to but not better or more extensive than its condition when new

Where **Insured Property** is damaged the repair of the damaged item to a condition substantially the same as that immediately before the occurrence of the damage

Reinstatement shall include additional costs incurred to comply with European Union Legislation Building or other Regulations under or framed in pursuance of any Act of Parliament or with Bye-Laws of any Municipal or Local Authority in force prior to the event or in respect of **Additional Cover 9 EEI (Environment & Efficiency Improvements)** where necessary

Provided that

- (i) the liability of The Company shall not exceed the Limits of Indemnity stated in The Schedule for loss of or damage to the **Insured Property** belonging to The Insured
- (ii) the work of **Reinstatement** must be commenced and carried out expeditiously and must be completed within twelve months of the destruction or damage or within any further time The Company may allow and may be carried out wholly or partially upon another site (if Legislation Act Regulations or Bye-laws require) provided that the liability of The Company is not increased
- (iii) where **Insured Property** is partially damaged or destroyed the liability of The Company shall not exceed the sum which The Company would have been called upon to pay for **Reinstatement** in the event of total destruction
- (iv) no payment beyond the amount which would have been payable had **Special Condition 3 Basis of Settlement** not been incorporated shall be made until the cost of **Reinstatement** has been incurred
- (v) no payment beyond the amount which would have been payable had **Special Condition 3 Basis of Settlement** not been incorporated shall be made if at the time of destruction or damage to the **Insured Property** it is covered by any other insurance held by or on behalf of The Insured which is not upon a **Reinstatement** basis

(vi) the amount recoverable shall not include

(vi.i) the cost incurred in complying with any Legislation Acts Regulations or Bye-Laws

(vi.i.i) under which notice had been served upon The Insured prior to the happening of the destruction or damage

(vi.i.ii) in respect of undamaged **Insured Property** or other property or undamaged portions of **Insured Property** or other property

(vi.ii) the amount of any rate tax duty development or other charge or assessment arising out of capital appreciation which may be payable in respect of the **Insured Property** or by the owner by reason of compliance with any Legislation Acts Regulations or Bye-Laws

(vii) where by reason of the above Provisions no payment will be made beyond the amount which would have been payable if **Special Condition 3 Basis of Settlement** had not been incorporated the rights and liability of The Company and The Insured in respect of the destruction or damage shall be subject to the terms and Conditions of this insurance as if **Special Condition 3 Basis of Settlement** had not been incorporated

Subject otherwise to the terms Conditions and Exclusions of this Policy

Re-siting

Re-siting shall mean

The actual physical removal of **Insured Property** or a major part thereof from one site to another within the **Situation** shown in the Schedule

Situation

Situation shall mean

The location(s) shown in the Schedule

Additional Cover

Cover provided by this Specification extends to include

1. Automatic Cover

Newly acquired **Insured Property** from the time its installation and testing is completed and the **Insured Property** is ready to commence normal working at The **Situation** shown in The Schedule

Provided that

- (a) the **Insured Property** belongs to a category shown in The Schedule and is of a type similar to that which The Insured previously declared his intention to insure
- (b) the **Insured Property** shall be insured to the same extent as **Insured Property** of a similar type
- (c) the **Insured Property** is free from defects so far as The Insured is aware and complies with any statutory obligations concerning its examination and certification
- (d) The Insured shall inform The Company in writing of such **Insured Property** within twelve months of installation and shall pay the additional premium required by The Company

Subject otherwise to the terms Conditions and Exclusions of this Policy

2. Temporary Removal

Loss of or damage to the **Insured Property** occurring within the European Union or European Free Trade Area whilst temporarily located at any other location or in transit for the purposes of repair service overhaul or maintenance

3. Machinery Movement

Loss of or damage to **Insured Property** during **Re-siting** not exceeding £25,000 in respect of each claim for loss or damage for which liability is accepted

4. Damage to Own Surrounding Property - Pressure Explosion

Damage to own surrounding property owned by or leased to The Insured and for which The Insured is responsible caused by **Explosion of Pressure Plant** not exceeding £1,000,000 (unless otherwise stated in this Policy) in respect of each claim for loss or damage for which liability is accepted

This extension does not cover damage

- (a) to the **Insured Property** causing the damage or any **Insured Property** directly driving or driven by the **Insured Property**
- (b) to property being handled conveyed heated cooled or processed by or contained in the **Insured Property**

- (c) caused by leakage or by lack of heat cooling light power or steam

5. Hired in Plant

The legal liability of The Insured under the terms of the hiring agreement to pay

- (a) for the loss of or damage to the **Hired in Plant**
- (b) continuing hiring charges for **Hired in Plant** following loss or damage insured under (a)

whilst the **Hired in Plant** is at the **Situation** specified in the Schedule or in transit (other than by sea or air) between **Situations** specified in The Schedule not exceeding a limit £50,000 any one loss

Where legal proceedings have been initiated against The Insured in respect of an indemnifiable incident under this extension The Company will with prior written consent (which may be withheld at the sole discretion of The Company) pay all reasonable legal expenses actually incurred by The Insured in defending such action

The liability of The Company under this extension shall not exceed £50,000 any one loss

6. Cost of Substitute Equipment

The cost of hire charges incurred by The Insured for the necessary hire of substitute **Insured Property** of a similar type and capacity following loss of or damage to the **Insured Property** during the period of repair or until the **Insured Property** is permanently replaced not exceeding £10,000 in respect of each claim for loss or damage for which liability is accepted

7. Hazardous Substances

The increase in cost to repair replace clean up or dispose of **Insured Property** affected by a **Hazardous Substance** not exceeding £25,000 in respect of each claim for loss or damage for which liability is accepted

8. EEI (Environmental & Efficiency Improvements)

The additional costs involved should **Insured Property** require replacement following an indemnifiable occurrence to replace the **Insured Property** with equipment that is better for the environment safer and more efficient than the **Insured Property** being replaced not exceeding 125% of what the cost would have been to replace with like kind capacity size quality and function or £25,000 whichever is the less subject always to the Limit of Indemnity under this Policy

Additional Cover

continued

9. Emergency Services

Emergency service charges for which The Insured may be liable not exceeding £10,000 in respect of each claim for loss or damage for which liability is accepted

10. Fragmentation Cover

Fragmentation subject to the limit of indemnity stated in The Schedule

Optional Extensions and Limitations

Subject otherwise to the terms Conditions and Exclusions of this Policy where any of the following symbols appear against any item of **Insured Property** the Cover is amended accordingly

1. BDN - Breakdown Limitation Cover Clause

Liability for loss or damage shall be limited to damage to **Insured Property** caused by its **Breakdown**

2. EXP - Explosion/Collapse Limitation Cover Clause

Liability for loss or damage shall be limited to damage to **Insured Property** caused by its **Explosion** or **Collapse**

3. ADL - Accidental Damage Limitation Cover Clause

The Company shall not be liable for loss of or damage to **Insured Property** caused by or arising from **Breakdown Explosion** or **Collapse**

4. MDL - Material Damage Limitation Cover Clause

The Company shall not be liable for any loss of or damage to the **Insured Property**

5. FRA – Fragmentation Limitation Cover Clause

Liability for loss or damage shall be limited to **Fragmentation**

6. ISE - Inspection Service Exclusion Cover Clause

The Company does not undertake to make periodic inspections of the **Insured Property** nor to report thereon

7. LGE - Lifted Goods Extension Cover Clause

The Company will subject to the Limit of Indemnity for this Extension indemnify The Insured against accidental direct damage to property owned by or leased to or in the custody or control of The Insured whilst being handled by the **Insured Property** and arising out of its normal use

This Extension does not cover damage resulting from a fault in or fragility of the property being lifted or its container

8. OSP - Own Surrounding Property Extension Cover Clause

The Company will subject to the Limit of Indemnity for this Extension indemnify The Insured against damage to property owned by or leased to The Insured and for which The Insured is

responsible

- (a) directly resulting from **Explosion of Pressure Plant**
- (b) directly resulting from any damage to the **Insured Property** insured under this Specification
- (c) caused by impact through the normal operation of lifting and handling **Insured Property** though the **Insured Property** itself may not be damaged

This Extension does not cover damage

- (i) to the **Insured Property** causing the damage or any **Insured Property** directly driving or driven by the **Insured Property**
- (ii) to property being handled conveyed heated cooled or processed by or contained in the **Insured Property**
- (iii) caused by leakage or by lack of heat cooling light power or steam

excepting that (ii) and (iii) above shall not apply to damage directly consequent upon and solely due to **Explosion**

Special Conditions

1. Inspection

Where contracted to provide periodic **Thorough Examinations** or **Inspections** The Company will arrange for HSB Engineering Insurance Services Limited (HSB) to inspect the **Insured Property** described in **The Inspection Schedule** and to report thereon in accordance with Special Endorsement 1 - Thorough Examination/Inspection of **Insured Property**

2. Declarations and Adjustment of Premium

Where the premium is a deposit and has been calculated on estimates at the end of each Period of Insurance the actual premium payable shall be calculated by applying the rates agreed between The Insured and The Company to the declarations agreed as the basis of adjustment

If the premium calculated exceeds or falls short of the deposit The Insured shall pay or The Company shall refund the difference subject to the minimum premium shown in The Schedule or 75% of the deposit whichever is the higher

3. Basis of Settlement

In respect of

- (a) **Insured Property** less than three years old at the time of a claim
- (b) **Pressure Plant**

the basis upon which the amount payable for loss of or damage to the **Insured Property** shall be the amount payable by The Insured for the **Reinstatement** of the **Insured Property**

4. Restricted Life

The indemnity provided in respect of conveyor belts and refractory materials forming a component part of the **Insured Property** which have a limited working life shall be restricted to the value of such part or parts at the time of the indemnifiable occurrence due allowance having been made for the length of time the part or parts have been in service

5. Multiple Lifting Operations

For the insurance provided under this Specification to be operative during any operation in which a load is shared between any items of **Insured Property** classed as lifting plant or lifting equipment (whether insured under this Specification or not) the lifting operation must be conducted in accordance with all relevant legislation and in addition if the lifting operation involves the use of cranes the crane operation must be conducted in accordance with the BS7121 Codes of Practice or any replacement thereof

6. Hiring Conditions

The insurance provided by **Additional Cover 5 Hired in Plant** of this specification will indemnify The Insured to the extent required by the following conditions of hire which have been evidenced in writing and accepted and exchanged between all bound parties

- (a) the Model Conditions for the Hiring of Plant recommended by the Construction Plant-hire Association or the Scottish Plant Owners Association or conditions not more onerous
- or
- (b) specific conditions agreed by the Company in writing and endorsed upon this Policy

In the event of a loss involving hire conditions more onerous than those covered by this specification the indemnity provided will be limited to liability under (a) or (b) above as applicable

Special Exclusions

The Company shall not be liable for

1. Excluded Perils

Loss of or damage to **Insured Property** caused by or from

- (a) fire lightning explosion (other than **Explosion** as defined in this Specification) earthquake flood storm tempest inundation escape of water from water containing apparatus leakage from sprinkler installations aircraft and other aerial devices or articles dropped therefrom
- (b) theft or attempted theft

but damage to any **Insured Property** insured under this Specification by its own **Explosion** as a result of any such cause is not excluded

This Exclusion shall not apply in respect of **Insured Property** under

- (i) **Additional Cover 2 Temporary Removal** whilst temporarily located at any other location and/or in transit for the purposes of repair service overhaul or maintenance
- (ii) **Additional Cover 5 Hired in Plant**

2. Erection Risk

Loss of or damage to **Insured Property** during installation erection dismantling transportation or removal other than transportation or removal under its own power whilst at the **Situation** shown in The Schedule or as provided under **Additional Covers 2 Temporary Removal and 3 Machinery Movement**

3. Consequential Loss

Loss of use or consequential loss or damage of any kind or description unless specifically provided for elsewhere within this Policy

4. Excluded Parts

Loss of or damage to

- (a) safety or protective devices due to their functioning
- (b) tyres by cuts bursts punctures or the application of brakes unless arising from a malicious act
- (c) batteries other than loss or damage due to extraneous cause
- (d) tools cutting edges moulds dies patterns non-metallic linings pulverising and crushing surfaces flexible pipes trailing cables driving belts or bands or parts requiring periodic renewal

Special Endorsement 1

Thorough Examination/Inspection of Insured Property

1. Definitions

The following words have been given the specific meaning set forth below and have the same meaning wherever they appear in this Special Endorsement whether singular or plural

1.1 Thorough Examination

Thorough Examination shall mean

a thorough examination of **Insured Property** or examination of **Insured Property** in accordance with a **Written Scheme** which is carried out solely in accordance with the requirements of the **Statutory Regulations** that apply to the **Insured Property** at the time of examination

Unless otherwise agreed in writing the scope of any such prescribed examination shall not include approval or verification of the fitness for purpose of any design or design features of **Insured Property** performing or witnessing tests of a non-routine nature (unless stipulated as the responsibility of the **Competent Person** in a HSE (Health & Safety Executive) or SAFed (Safety Assessment Federation) Approved Code of Practice or Guidance) including but not limited to

- (a) in the case of boiler/pressure plant ultrasonic radiographic hydrostatic or other non-destructive testing
- (b) in the case of lifting and handling plant any proof load stability anchorage supplementary or similar test in accordance with industry guidance or thorough examination as required when exceptional circumstances have occurred
- (c) in the case of mechanical power press plant subject to the requirements of PUWER 98 Part IV the examination of enclosed parts and tests thereof
- (d) in respect of local exhaust ventilation plant the initial appraisal of the plant

1.2 Inspection

Inspection shall mean

an inspection of **Insured Property** which is exempt or excluded from the requirement for a periodic thorough examination or examination in accordance with a **Written Scheme** as specified in the **Statutory Regulations**

Unless otherwise agreed in writing any such inspection will be visual in nature limited by the design of the **Insured Property** and the extent to which The Insured has prepared the **Insured Property** and made available a safe means of access to the **Insured Property** and may include such tests as are deemed appropriate to establish general condition and standard of **Insured Property** maintenance by a **Competent Person**

Any such inspection will not be deemed to comply with any specific regulations or **Statutory Regulations** unless specified in The Schedule

1.3 Inspection Schedule

Inspection Schedule shall mean

the plant schedule forming part of this Policy

1.4 Normal Working Hours

Normal Working Hours shall mean

8:00 a.m. to 6:00 p.m. Monday to Friday excluding public bank and local holidays

1.5 Competent Person

Competent Person shall mean

an Engineer Surveyor employed and/or authorised by HSB to perform the **Thorough Examination/Inspection**

1.6 HSB Services

HSB Services shall mean

- (a) The periodic performance of a **Thorough Examination/ Inspection of Insured Property** within **Normal Working Hours**
- and
- (b) The provision of a **Report of Thorough Examination/ Inspection** within a reasonable time or within legal requirements if prescribed by applicable **Statutory Regulations**

1.7 Fees

Fees shall mean

the amount payable for **HSB Services** as stated in The Schedule or as varied from time to time in accordance with Clause 4 of this Special Endorsement

1.8 Report

Report shall mean

a document in HSB's standard format issued to The Insured electronically or on paper that provides details of the **Thorough Examination/Inspection** of the **Insured Property** that was undertaken

1.9 Statutory Regulations

Statutory Regulations shall mean

the following **Statutory Regulations** (as amended or extended by any enactment or statutory re-enactment thereof) as may be applicable to the **Thorough Examination of Insured Property** at the time of any such **Thorough Examination**

Special Endorsement 1

Thorough Examination/Inspection of Insured Property

continued

- (a) The Lifting Operations and Lifting Equipment Regulations
 - (b) The Pressure Systems Safety Regulations
 - (c) The Provision and Use of Work Equipment Regulations, Part IV (“PUWER Part IV”)
 - (d) The Control of Substances Hazardous to Health Regulations (as amended)
 - (e) The Workplace (Health Safety and Welfare) Regulations
 - (f) The Control of Major Accident Hazard Regulations
 - (g) The Electricity at Work Regulations
 - (h) The Dangerous Substances and Explosive Atmospheres Regulations
 - (i) The Factories Act 1955 (as amended by the Safety in Industry Act 1980)
 - (j) The Safety in Industry Act 1980
 - (k) The Safety Health and Welfare at Work (General Application) (Amendment) Regulations
 - (l) The Safety Health and Welfare at Work (Quarries) Regulations
- (b) sub-contractors to provide services to support the **Thorough Examination/ Inspection** and shall retain responsibility for the execution of any such sub-contracted work
 - (c) make a charge in addition to the **Fees** shown in The Schedule if
 - (i) The Insured requests and HSB agrees to perform **HSB Services** outside **Normal Working Hours**
 - (ii) The Insured requires additional hard copies of **Reports**
 - (iii) The Insured fails to prepare or make the **Insured Property** available at the date and time agreed
 - (iv) The Insured requires additional services or
 - (v) The Insured requires the **Competent Person** to undertake training or particular risk assessment specific to The Insured’s own premises or The Insured’s health safety and welfare procedures

1.10 Written Scheme

Written Scheme shall mean

a document drawn up by a competent person in accordance with Regulation 8 of the Pressure Systems Safety Regulations which contains information about selected items of **Insured Property** that form a pressure system including but not limited to the parts which require examination and the nature and frequency of such examinations

2. Provision of Services

2.1 HSB shall provide to

The Insured the **HSB Services** at The **Situation** specified in The **Inspection Schedule** within **Normal Working Hours** during the term of the Policy subject to the terms and conditions of this Special Endorsement and in consideration of which The Insured shall pay the **Fees**

2.2 HSB will comply with The Insured’s safe systems of work provided such systems are notified to HSB in advance of any **Thorough Examination/Inspection**

2.3 During the term of this Policy HSB may

- (a) decline to undertake any **Thorough Examination/ Inspection** if at its sole discretion to do so would pose a health safety or welfare risk

3. The Insured’s Responsibilities

During the term of this Policy The Insured shall

- (a) retain sole responsibility for the care custody and control of the Insured Property at all times
- (b) allow HSB access to the **Situation** and **Insured Property** at such reasonable times during **Normal Working Hours** or as shall be agreed between The Insured and HSB
- (c) provide HSB with
 - (i) a safe working environment at the **Situation** in which the **Insured Property** is located and
 - (ii) a safe physical means by which to gain access to perform the **HSB Services**
- (d) have the **Insured Property** properly prepared dismantled and reassembled as necessary in order to enable HSB to carry out the appropriate **Thorough Examination/ Inspection**
- (e) cooperate with and upon request provide HSB with information and data relating to the **Insured Property** as required by the **Competent Person** to perform the **HSB Services** including without limitation full information concerning any modification to the **Insured Property** that has been made since the last **Thorough Examination/Inspection** and in respect of **Insured Property** that is capable of being moved from one location to another the precise location of any such **Insured Property**

Special Endorsement 1

Thorough Examination/Inspection of Insured Property

continued

4. Fees

4.1 HSB shall charge **Fees** for the provision of **HSB Services** and any such **Fees** shall be subject to Value Added Tax (or any other similar tax or duty levied by any government or other authority) at the appropriate rate. Any such taxes or duties will be payable by The Insured in addition to the **Fees**.

4.2 The **Fees** shall be calculated on **Insured Property** as notified by The Insured to HSB at the start of the term and The Insured shall pay the **Fees** at the start of the term or as otherwise agreed in writing between the parties.

4.3 The Insured agrees that HSB may adjust the **Fees**

- (a) to take into account any charges identified in Clause 2.3 (c) of this Special Endorsement
- (b) during and at the end of the term to take into account any **Situations** or individual items of **Insured Property** added to or deleted from The Schedule
- (c) upon renewal of the Policy
- (d) where the term is greater than 12 months annually to take into account any changes to the **Insured Property** the intervals between **Thorough Examination/Inspections** and the retail price index and The Insured's payment of any such adjusted **Fees** shall be deemed acceptance by The Insured of the adjusted **Fees**.

5. Fair Presentation of Risk

The Insured must make a fair presentation of the risk when The Insured first takes out this Policy and also whenever The Insured renews it or asks The Company to change The Insured's cover.

If The Insured fails to make a fair presentation of the risk including failing to disclose or misrepresenting a material fact, or disclosing material facts to The Company in a way which is not clear and accessible:

The Company may avoid this policy and refuse all claims where:

- (a) such failure was deliberate or reckless; or
- (b) The Company would not have entered into this Policy on any terms had The Insured made a fair presentation of the risk.

Should The Company avoid this policy The Company:

- (a) Shall treat the Policy as if it had not existed from the start date, the renewal date, or the date when The Insured asked The Company to change The Insured's cover, depending on when the failure to make a fair presentation of the risk occurred

- (b) shall return the premium paid for the period for which the Policy is treated as not having existed unless the failure to make a fair presentation of the risk was deliberate or reckless
- (c) may deduct from any return of premium due to The Insured any monies already paid in respect of claims falling within the period for which the Policy is treated as not having existed or require The Insured to repay such claims.

Provided that any failure to make a fair presentation of the risk is not deliberate or reckless, if The Company would have entered into or renewed this Policy, or agreed to make changes to The Insured's cover on different terms had The Insured made a fair presentation of the risk, The Company may:

- (a) proportionately reduce the amount payable in respect of a claim; and/or
- (b) treat the Policy as if it contained such different terms (other than relating to the premium) that The Company would have applied to the policy had The Insured made a fair presentation of the risk.

Any reduction in claims payments or application of different terms will take effect from the date on which the Policy started, was renewed or when changes were made to The Insured's cover, depending on when The Insured failed to make a fair presentation of the risk.

Where The Company elect to proportionately reduce the amount payable in respect of a claim, The Company will pay a percentage of the claim, the percentage being calculated by comparing the premium which The Insured actually paid with the premium which The Company would have charged had The Insured made a fair presentation of the risk. For example, if the premium which The Insured actually paid is 70% of the premium The Company would have charged, The Company will only pay 70% of any claim.

Where this Policy provides benefits to individuals who would, if they had taken out similar insurance in their own name, have done so for purposes wholly or mainly unconnected with their trade, business or profession, The Company will not rely on this condition if the failure to make a fair presentation of the risk concerns only facts or information which relate to that particular individual, unless the individual (or The Insured on their behalf) makes a careless misrepresentation, in which case The Company may rely on this condition as against that particular individual as if a separate insurance contract had been issued to them leaving the remainder of the Policy unaffected.

6. Confidentiality

- 6.1** Neither The Insured nor HSB shall disclose or communicate to any third party any technical business or similar information relating to the business affairs of the other

Special Endorsement 1

Thorough Examination/Inspection of Insured Property

continued

party obtained as a result of this Special Endorsement and neither party shall use the other party's information for any purpose other than to perform its obligations under this Special Endorsement

6.2 Nothing in this Clause shall impose an obligation of confidentiality on information

- (a) that was already in the public domain
- (b) that was rightfully in the possession of the party prior to the commencement of the Policy or
- (c) that is required to be disclosed pursuant to any applicable law or regulatory body

6.3 Unless otherwise agreed between the parties all **Reports** and similar material prepared by HSB in connection with the **HSB Services** shall be released only to The Insured or their designated representative

6.4 HSB may use data gathered in connection with the **HSB Services** for statistical use

6.5 The obligations under this Clause shall come into effect at the start of the term and shall survive termination of the Policy

7. Limitation of Liability and Indemnification

7.1 Neither HSB nor any of its employees shall be liable directly or indirectly for any loss damage or injury to property or persons resulting from any accident or defect in any **Insured Property** nor shall HSB be liable directly or indirectly for loss damage or injury of any kind arising from or connected in any way with any **HSB Services** or documentation of any **HSB Services** including but not limited to Reports or from the omission of any **HSB Services** or documentation of any **HSB Services** including but not limited to **Reports** whether or not such **HSB Services** documentation or omission was at the request of The Insured

7.2 Neither HSB nor any of its employees makes any warranty express or implied concerning the activities described in this Special Endorsement

7.3 Notwithstanding anything else in this Special Endorsement to

the contrary to the fullest extent permitted by law

- (a) HSB shall not be liable to The Insured for any special incidental indirect consequential or exemplary damages including but not limited to loss of profits or revenue loss of use loss of opportunity loss of goodwill cost of substitute facilities goods or services cost of capital governmental and regulatory sanctions and claims of third parties for such damages

- (b) the total cumulative liability of HSB to The Insured whether in tort or in contract for all claims losses damages and expenses resulting in any way from this Special Endorsement shall not be greater than the total amount received by HSB from The Insured as **Fees** during the term

- (c) except in the case of death or personal injury caused by HSB's negligence or in other circumstances where liability may not be so limited under applicable law HSB's liability under or in connection with this Special Endorsement whether arising in contract tort negligence breach of statutory duty or otherwise shall not exceed the sum of £25,000,000 (twenty-five million pounds)

7.4 The Insured shall indemnify and keep HSB indemnified in respect of any claims made against and all damages costs and expenses suffered or incurred by HSB as a result of any third party claim arising out of The Insured's failure to comply with its obligations under this Special Endorsement

7.5 Upon completion of the **HSB Services** or termination of this Policy the provisions relating to indemnity waivers limitations of remedies and limitations of liability including but not limited to those contained in this Clause shall remain in full force and effect

8. "Force Majeure"

HSB shall not be liable for any delay or the consequences of any delay in performing the **HSB Services** if such delay is due to any cause beyond its reasonable control and shall be entitled to a reasonable extension of time for performance of the **HSB Services**

9. General

9.1 All matters relating to the validity performance or interpretation of this Special Endorsement shall be governed by the laws of England

HSB and The Insured hereby submit to the exclusive jurisdiction of the Courts of England

9.2 No term of this Special Endorsement is intended either expressly or by implication or other inference to purport to confer a benefit or right of action upon any third party

No such third party shall have any right to enforce any terms of this Policy whether under the Contracts (Rights of Third Parties) Act 1999 or otherwise

Special Endorsement 1

Thorough Examination/Inspection of Insured Property

continued

- 9.3** The provision of **HSB Services** under this Special Endorsement does not relieve The Insured of their legal duty under relevant **Statutory Regulations** to have the **Insured Property** inspected
- 9.4** Failure by either party to enforce any of the rights under this Special Endorsement shall not be taken as or deemed to be a waiver of such rights
- 9.5** If any term of this Special Endorsement is held to be illegal or unenforceable the remainder will remain in full force and effect
- 9.6** This Special Endorsement represents the entire agreement between the parties and supersedes all prior agreements and representations made by either party whether oral or written
- 9.7** All notices to be given under this Special Endorsement shall be in writing and may be delivered by first class post or facsimile transmission and shall be deemed to have been delivered 48 hours after posting in the case of first class pre-paid letter and 12 hours after dispatch in the case of facsimile transmission
- 9.8** HSB shall be entitled to apply any monies due to the Insured under this Special Endorsement in or towards any sum owing to HSB in relation to any matter whatsoever

10. Termination

10a. The Insured's rights to cancel the Policy

If The Insured does not want to accept the Policy The Insured has the right to cancel it within 14 days from the date of purchase of the Policy or the day The Insured receives the Policy documentation, whichever is later. To do this The Insured must return the Policy documentation to The Insured's Broker when giving their instruction to cancel.

If cover has not yet started a full refund will be given. If cover has started The Company will refund the premium for the exact number of days left on the Policy, less an additional charge of £25 plus Insurance Premium Tax. No refund will be given if a claim has been submitted or there have been any incidents likely to give rise to a claim during the current period of insurance. The Company will also do this if The Insured wants to cancel the Policy within 14 days after the renewal date.

The Insured may cancel the Policy at any other time by contacting their Broker.

If The Insured cancels the Policy after 14 days and a claim has been submitted or there have been any incidents likely to give rise to a claim during the current period of insurance, The Company will not refund any part of the premium. If The Insured has a Loan

Agreement with Covêa Insurance, all outstanding monies must be paid to Covêa Insurance as described in The Insured's Loan Agreement.

If no claims have been submitted and there have been no incidents that are likely to give rise to a claim during the current period of insurance, The Company will refund the premium for the exact number of days left on the Policy less an additional charge of £25 plus Insurance Premium Tax.

10b. The Company's rights to cancel the Policy

The Company or any agent appointed by The Company and acting with The Company's authority has the right to cancel the Policy, where there is a valid reason for doing so. The Company will give The Insured fourteen days notice of cancellation in writing, by recorded delivery, to the latest address The Company has for The Insured and will set out The Company's reason for cancellation in their letter.

Valid reasons may include but are not limited to:

1. not
 - (i) paying a premium when it is due
 - (ii) co-operating with The Company, or sending The Company information or documentation that materially affects their ability to process the Policy or The Company's ability to defend The Company's interests
 - (iii) taking all reasonable precautions to prevent or minimise damage accident or injury. and failing to put this right when The Company ask The Insured to by sending The Insured seven days written notice to The Insured's latest address.
2. use of threatening or abusive behaviour or language, or intimidation or bullying of The Company's staff or suppliers.

If The Company cancels the Policy, it will refund the premium for the exact number of days left on the Policy less an additional charge of £25 plus Insurance Premium Tax.

If a claim has been submitted or there have been any incidents likely to give rise to a claim during the current period of insurance, The Company will not refund any part of the premium.

If The Insured has a Loan Agreement with Covêa Insurance to pay for the insurance, outstanding monies may be owed when The Insured's Policy is cancelled. They must be paid to Covêa Insurance as described in The Insured's Loan Agreement.

Special Endorsement 1

Thorough Examination/Inspection of Insured Property

continued

- 10c.** Either The Insured or HSB may terminate this Special Endorsement with immediate effect at any time by giving written notice to the other
- (a) where the other has committed a material breach of the terms of this Special Endorsement which is incapable of remedy
 - (b) where the other has committed a material breach of the terms of this Special Endorsement which is capable of remedy and fails to remedy such breach within 30 days after receipt of a written notice by the other party giving full particulars of the breach and requiring it to be remedied
 - (c) where the other goes into liquidation or in the case of an individual or partnership the individual(s) become(s) bankrupt make(s) a voluntary arrangement with his(their) creditors or has(have) a receiver or administrator appointed
 - (d) where an event of Force Majeure delays a scheduled **Thorough Examination/Inspection** for more than 30 days

Part 2 – Platform Engineering Cover

Additional Cover Applying to All Specifications

Debris Removal

1. In respect of each claim for loss or damage for which liability is accepted the cover provided by this Policy extends to include costs incurred in the removal of debris and protection of the Insured Property following indemnifiable damage not exceeding £25,000 or 20% of the indemnifiable loss or damage whichever is the lower

Loss Avoidance Measures

2. Subject to the Limit(s) of Indemnity The Company will pay reasonable costs incurred in taking exceptional measures to prevent or mitigate impending loss or damage for which indemnity is provided by this Policy

Provided that

- (a) loss or damage would reasonably be expected if such measures were not implemented
- (b) The Company are satisfied that loss or damage has been avoided or mitigated by means of the exceptional measures
- (c) the amount payable will be limited to the cost of loss or damage which would have otherwise occurred
- (d) the terms Conditions and Exclusions of this Policy apply as if loss or damage had occurred

Automatic Reinstatement

3. Sums Insured or Limits of Indemnity will be reinstated from the date of occurrence of any claim subject to an additional premium

The Company will waive the additional premium if the cost of the claim does not exceed £25,000

Expediting Costs

4. The Company will pay costs necessarily and reasonably incurred in making temporary repairs upon and / or expediting the repair reinstatement or replacement of Insured Property as a result of indemnifiable loss or damage provided that the liability of The Company shall not exceed 50% of the cost of such loss or damage or £50,000 whichever is the lower

Repair Costs Investigation

5. With their prior written agreement The Company will pay costs relating to repair investigations and tests following indemnifiable damage to Insured Property by consulting engineers not exceeding £25,000 in any one Period of Insurance

The Company shall not be liable under this Additional Cover for fees incurred in preparing a claim under this Policy

General Definitions

Limit of Indemnity

The liability of The Company in respect of any one loss or series of losses arising out of any one occurrence shall not exceed the amount specified in The Schedule as the Limit of Indemnity or Sum Insured

Excess

The amount of a claim not payable by The Company and which shall be deducted after calculation of the amount payable under a claim and unless endorsed otherwise will apply separately in respect of individual Specifications

Insured Property

Wherever the term Insured Property is used in this Policy it shall mean only that property insured by this policy and described in The Schedule

General Conditions

Fair Presentation of the Risk

1. The Insured must make a fair presentation of the risk when The Insured first takes out this Policy and also whenever The Insured renews it or asks The Company to change The Insured's cover.

If The Insured fails to make a fair presentation of the risk including failing to disclose or misrepresenting a material fact, or disclosing material facts to The Company in a way which is not clear and accessible.

The Company may avoid this policy and refuse all claims where:

- (a) such failure was deliberate or reckless; or
- (b) The Company would not have entered into this Policy on any terms had The Insured made a fair presentation of the risk.

Should The Company avoid this policy The Company:

- (a) shall treat the Policy as if it had not existed from the start date, the renewal date, or the date when The Insured asked The Company to change The Insured's cover, depending on when the failure to make a fair presentation of the risk occurred
- (b) shall return the premium paid for the period for which the Policy is treated as not having existed unless the failure to make a fair presentation of the risk was deliberate or reckless
- (c) may deduct from any return of premium due to The Insured any monies already paid in respect of claims falling within the period for which the Policy is treated as not having existed or require The Insured to repay such claims.

Provided that any failure to make a fair presentation of the risk is not deliberate or reckless, if The Company would have entered into or renewed this Policy, or agreed to make changes to The Insured's cover on different terms had The Insured made a fair presentation of the risk, The Company may:

- (a) proportionately reduce the amount payable in respect of a claim; and/or
- (b) treat the Policy as if it contained such different terms (other than relating to the premium) that The Company would have applied to the policy had The Insured made a fair presentation of the risk.

Any reduction in claims payments or application of different terms will take effect from the date on which the Policy started, was renewed or when changes were made to The Insured's cover, depending on when The Insured failed to make a fair presentation of the risk.

Where The Company elect to proportionately reduce the amount payable in respect of a claim, The Company will pay a percentage of the claim, the percentage being calculated by comparing the

premium which The Insured actually paid with the premium which The Company would have charged had The Insured made a fair presentation of the risk. For example, if the premium which The Insured actually paid is 70% of the premium The Company would have charged, The Company will only pay 70% of any claim.

Where this Policy provides benefits to individuals who would, if they had taken out similar insurance in their own name, have done so for purposes wholly or mainly unconnected with their trade, business or profession, The Company will not rely on this condition if the failure to make a fair presentation of the risk concerns only facts or information which relate to that particular individual, unless the individual (or The Insured on their behalf) makes a careless misrepresentation, in which case The Company may rely on this condition as against that particular individual as if a separate insurance contract had been issued to them leaving the remainder of the Policy unaffected.

Fraud

2. Presentation For the purposes of this Condition the definition of The Insured will also include any person who is entitled to benefit from the policy to the extent that a claim is made by or on their behalf.

If The Insured or anyone acting on The Insured's behalf makes a claim which is in any way fraudulent The Company:

- (a) will not pay the claim;
- (b) may recover from The Insured any sums already paid by The Company in respect of the claim; and
- (c) may notify The Insured that The Company are treating this policy as having terminated with effect from the time of the fraudulent act.

If The Company does treat this policy as having terminated, The Insured will have no cover under this policy from the date of termination and will not be entitled to any refund of premium.

Where a fraudulent claim is made by or on behalf of a person who is not The Insured, this condition applies only to that person's claim and references to 'this policy' should be read as if they were references to the cover for that person alone and not to the policy as a whole.

Fraudulent claims include but are not limited to:

- (a) making a claim which is fraudulent, fictitious or known to be false
- (b) Intentionally exaggerating or inflating a claim
- (c) supporting a claim with false or forged documents, information or statements
- (d) wilfully causing loss, Damage or injury.

General Conditions

continued

Claims Notification and Requirements

3. It is a condition precedent to The Company's liability that in the event of any occurrence giving rise or likely to give rise to a claim The Insured or his representative shall
- (a) as soon as practicable notify The Company giving full particulars and information and notify the Police in the event of loss where The Insured has reason to believe a criminal offence has been committed
 - (b) take all reasonable action to prevent or minimise the loss and prevent further loss or damage

The Company shall not be liable for any further damage resulting from the continued use of the Insured Property until repaired to the satisfaction of The Company

- (c) retain any damaged property or parts
- (d) when required to do so but in any event no later than 30 days after the expiry of any Indemnity Period deliver to The Company a statement in writing of all particulars and details relating to the incident and other evidence as may be required

No claim shall be paid until The Insured has complied with this Condition

Claims Settlement

4. (a) The Company may at its option repair reinstate replace or pay in money for any loss or damage covered by this Policy
- The amount stated as the **Excess** or the loss sustained by the Insured during any **Time Exclusion** shown in a relevant Schedule will be deducted from the settlement and borne by The Insured
- (b) Without prejudice to liability The Insured may proceed with minor repairs subject to compliance with General Condition 3
 - (c) The Company shall be entitled to take over defend or settle any claim in the name of The Insured
 - (d) to the extent that The Insured is accountable to the tax authorities for Value Added Tax all claims settlements shall be exclusive of such tax

Payments on Account

5. Notwithstanding General Condition 3 where liability is accepted The Insured shall be entitled to receive interim payments as agreed between The Insured and The Company

Other Insurance

6. This insurance does not cover any loss or damage which 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 such policy or policies had this insurance not been effected

Average

7. If any item of Insured Property has an individual Sum Insured set against it and at the time of any loss or damage to the item its value exceeds that Sum Insured then The Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss or damage accordingly

Precautions

8. The Insured shall exercise due diligence in
- (a) complying with any statute or order
 - (b) ensuring that Insured Property is maintained and used in accordance with manufacturers recommendations and in taking reasonable precautions to prevent loss or damage

Access

9. The Company or its representatives shall have the right of access to the Insured Property at reasonable times

Alterations in Risk

10. The Insured or their Broker must tell The Company immediately if during the period of insurance there is any alteration in risk or to the facts which The Insured disclosed when they took out this policy, which materially affects the risk of injury, loss, Damage or liability which would fall within the policy cover. This includes but is not limited to alterations to the Insured Property.

When The Insured informs The Company about an alteration in risk, The Company may apply additional terms and conditions to this policy (including but not limited to premium) or, if the risk is unacceptable to The Company, The Company may cancel the policy in accordance with General Condition 13b (Our Rights to Cancel the Policy).

If an alteration creates an additional premium, this will be subject to a minimum premium of £25 plus insurance premium tax. If an alteration creates a lower premium, The Company will refund any difference, except for the first £25 or any difference which is less than £25 plus insurance premium tax, which will be retained to cover administrative costs.

General Conditions

continued

If The Insured fails to tell The Company about an alteration in risk, The Company may:

- (a) terminate the policy back to the date when the alteration occurred, if The Company would have cancelled the policy had The Insured told The Company of the alteration in risk;
- (b) proportionately reduce the amount payable in respect of a claim; and/or
- (c) treat the policy as if it contained such different terms (other than relating to the premium) that The Company would have applied to the policy had The Insured told The Company of the alteration in risk.

Any reduction in claims payments or application of different terms will take effect from the date on which the alteration in risk occurred.

Where The Company elect to proportionately reduce the amount payable in respect of a claim, The Company will pay a percentage of the claim, the percentage being calculated by comparing the premium which The Insured actually paid with the premium which The Company would have charged had The Insured told us about the alteration in risk. For example, if the premium which The Insured actually paid is 70% of the premium The Company would have charged, The Company will only pay 70% of any claim.

Subrogation

- 11. The Company may at its expense use all legal means in the name of The Insured to secure reimbursement for loss or damage and The Insured shall give all reasonable assistance for that purpose

Suspension of Cover

- 12. The Company reserves the right to suspend this insurance at any time by written notice to The Insured's last known address until The Company's requirements have been fulfilled

Cancellation

13a. The Insured's rights to cancel the Policy

If The Insured does not want to accept the Policy The Insured has the right to cancel it within 14 days from the date of purchase of the Policy or the day The Insured receives the Policy documentation, whichever is later. To do this The Insured must return the Policy documentation to The Insured's Broker when giving The Insured's instruction to cancel.

If cover has not yet started a full refund will be given. If cover has started The Company will refund the premium for the exact number of days left on the Policy, less an additional charge of £25 plus Insurance Premium Tax. No refund will be given if a claim has been

submitted or there have been any incidents likely to give rise to a claim during the current period of insurance. The Company will also do this if The Insured wants to cancel the Policy within 14 days after the renewal date.

The Insured may cancel the Policy at any other time by contacting their Broker.

If The Insured cancels the Policy after 14 days and a claim has been submitted or there have been any incidents likely to give rise to a claim during the current period of insurance, The Company will not refund any part of the premium. If The Insured has a Loan Agreement with Covéa Insurance, all outstanding monies must be paid to Covéa Insurance as described in The Insured's Loan Agreement.

If no claims have been submitted and there have been no incidents that are likely to give rise to a claim during the current period of insurance, The Company will refund the premium for the exact number of days left on the Policy less an additional charge of £25 plus Insurance Premium Tax.

13b. The Company's rights to cancel the Policy

The Company or any agent appointed by The Company and acting with The Company's authority have the right to cancel the Policy, where there is a valid reason for doing so. The Company will give The Insured fourteen days notice of cancellation in writing, by recorded delivery, to the latest address The Company has for The Insured and will set out The Company's reason for cancellation in their letter.

Valid reasons may include but are not limited to:

- 1. not
 - (i) paying a premium when it is due
 - (ii) co-operating with The Company, or sending The Company information or documentation that materially affects their ability to process the Policy or The Company's ability to defend The Company's interests
 - (iii) taking all reasonable precautions to prevent or minimise damage accident or injury.and failing to put this right when The Company asks The Insured to by sending The Insured seven days written notice to The Insured's latest address.
- 2. use of threatening or abusive behaviour or language, or intimidation or bullying of The Company's staff or suppliers.

If The Company cancels the Policy, it will refund the premium for the exact number of days left on the Policy less an additional charge of £25 plus Insurance Premium Tax.

General Conditions

continued

If a claim has been submitted or there have been any incidents likely to give rise to a claim during the current period of insurance, The Company will not refund any part of the premium.

If The Insured has a Loan Agreement with Covéa Insurance to pay for the insurance, outstanding monies may be owed when The Insured's Policy is cancelled. They must be paid to Covéa Insurance as described in The Insured's Loan Agreement.

Arbitration

14. If any difference arises as to the amount to be paid under this Policy (liability having been accepted) the difference shall be referred to an arbitrator to be appointed by both parties in accordance with the statutory provisions applicable

The making of an award against The Company shall be a condition precedent to any right of action against it

Abandonment

15. The Insured shall not be entitled to abandon any Insured Property to The Company whether or not taken possession of by it

Observance

16. The observance and fulfilment of the terms and Conditions of this Policy or Endorsements shall be conditions precedent to liability

Terms Not Relevant to Actual Loss

17. If payment of a claim is conditional upon compliance with any term of this Policy The Company will not pay for any claim where the term has not been complied with except where the term concerned:

- (a)** is operative only in connection with particular premises or locations;
- (b)** is operative only at particular times; or
- (c)** is intended to reduce the risk of particular types of injury, loss, damage or liability

where The Company will pay for claims in respect of which The Insured can prove that non-compliance with the term could not have increased the risk of the injury, loss, damage or liability which occurred.

General Exclusions

Other than as specifically provided for elsewhere within this Policy The Company shall not be liable for

Intentional Acts

1. Loss or damage caused by or arising out of
 - (a) any intentional act or wilful omission of The Insured (other than an act or omission the purpose of which is an exceptional measure to prevent injury loss or damage) which having regard to the nature and circumstances of the act or omission could reasonably be expected to cause contribute to or exacerbate any loss or damage
 - (b)
 - (i) intentional overloading
 - (ii) testing or experiments involving the imposition of any abnormal conditions

Wear and Tear

2. Loss or damage caused directly by
 - (a) wear and tear gradual deterioration or rust
 - (b) gradually developing defects
 - (c) scratching or chipping of painted or polished surfaces
 - (d) erosion or corrosion

but this shall not exclude resultant loss or damage not otherwise excluded

Application of Tools

3. Loss or damage caused by or arising out of the direct application of any tool or process during the course of repair maintenance inspection modification or overhaul

Guarantees of Performance

4. Liquidated damages penalties for delay or detention or in connection with guarantees of performance or efficiency

War Risks

5. Any loss or damage directly or indirectly caused by or in consequence of 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 Insured Property by or under the order of any government or public or local authority

Terrorist Acts

6.
 - (a) 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
 - (b) Loss or damage caused by or happening through or in consequence directly or indirectly of **TERRORISM**
 - (c) 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**
 - (d) Loss or damage in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of riot strike civil commotion locked out workers or persons taking part in labour disturbances

For the purposes of this Policy **TERRORISM** shall mean any act of any person or group of persons acting alone or on behalf of or in connection with any organisation or government with activities directed towards the overthrowing or influencing of any government force or violence and / or putting the public or any section of the public in fear

In any action suit or other proceedings where The Company allege that by reason of this Definition any loss or damage is not covered by this Policy (or is covered only up to a specified Limit of Indemnity) the burden of proving that such loss or damage is covered (or is covered beyond that Limit of Indemnity) shall be upon The Insured

Riot Strike and Civil Commotion

7. Loss or damage occurring at the premises of The Insured caused by or arising from riot strike lock-out or civil commotion

Nuclear Risks

8. Loss destruction or damage to Insured Property or expense or consequential loss nor any legal liability caused by or arising from
 - (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - (ii) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component

Sonic Bang

9. Loss or damage directly caused by the pressure waves of aircraft or other aerial devices travelling at sonic or supersonic speeds

General Exclusions

continued

Airborne and Waterborne Craft

- 10.** Loss of or damage to airborne or waterborne vessels craft platforms or rigs or any Insured Property situated thereon or being loaded onto or offloaded therefrom

Electronic Risks Exclusion

- 11. (a)** loss or damage 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 of The Insured or not where such damage is caused by Virus or Similar Mechanism or Hacking or Denial of Service Attack
- (b)** Consequential loss directly or indirectly caused by or arising from Virus or Similar Mechanism or Hacking or Denial of Service Attack

Virus or Similar Mechanism shall mean any 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

The definition of Virus or Similar Mechanism includes but is not limited to Trojan horses worms and logic bombs

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 whether it be the property of The Insured or not

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

Denial of Service Attacks include but are not limited to the generation of excess traffic into network addresses the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks

Pollution or Contamination

- 12.** Loss or Damage caused by or arising from pollution or contamination

This exclusion shall not apply to cost arising from pollution or contamination of Insured Property caused directly by an occurrence which is insured by this Policy provided that the liability of The Company shall be limited to a maximum of £50,000 in respect of pollution or contamination

Excess

- 13.** The amount(s) specified as the Excess(es) as detailed in Schedules attaching to this Policy

Date Recognition Related Losses

- 14.** Loss damage expense or liability directly or indirectly caused by or connected with performance or function of any computerised or non-computerised equipment or component (whether or not owned by The Insured) or production services (whether or not provided by The Insured) being affected by any failure malfunction or inadequacy to
- (i)** Correctly recognise register or establish any date as its true calendar date
 - (ii)** Capture save or retain or correctly manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than its true calendar date
 - (iii)** Capture save retain or correctly processes any date as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture save retain or correctly process such data as a result of treating any date otherwise than its true calendar date

This Policy does not insure the expense of any advice consultation design evaluation inspection installation maintenance repair replacement or supervision done by or for The Insured to determine rectify or test any potential or actual failure or inadequacy described above including the expense of carrying out The Year 2000 Project Process in accordance with the British Standard Institute PD 2000-2: Managing Year 2000 Conformity or other similar internationally recognised process whether or not agreed in writing by The Company

However this Policy does not exclude ensuing loss damage expense or liability arising from critical applications as identified by carrying out The Year 2000 Project Process in accordance with the British Standard Institute PD 2000-2: Managing Year 2000 Conformity or other similar internationally recognised process agreed in writing by The Company provided such loss damage expense or liability is not otherwise excluded and provided such loss or damage is to property owned by The Insured and not otherwise excluded above

It is a Condition precedent to any Liability under this Policy that The Insured has carried out The Year 2000 Project Process in accordance with the British Standard Institute PD 2000-2: Managing Year 2000 Conformity or other similar internationally recognised process agreed in writing by The Company

How To Notify Us of Claims

Claims should be notified promptly to your Broker or Intermediary.
If you do not have a Broker or Intermediary, please contact us directly using the details below:

The Claims Department
HSB Engineering Insurance Ltd
Chancery Place
50 Brown Street
Manchester M2 2JT

Tel: +44 (0)330 100 3432 (Calls to this number are charged the same standard land line rate as calls to 01 or 02 numbers)

Email: new.loss@hsbeil.com

Customer Service and Complaint Resolution

We are committed to providing the highest standards of customer service and aim to achieve fair treatment and customer satisfaction in all cases. If you have any cause for complaint, therefore, we want to know about it as soon as possible.

You should initially contact the person who arranged the policy for you, to see if they can resolve matters. Alternatively you may contact us directly at the following address:

Customer Relations Leader
HSB Engineering Insurance Services Ltd
Chancery Place
50 Brown Street
Manchester M2 2JT

Tel: +44 (0) 330 100 3433 (Calls to this number are charged at the same standard land line rate as 01 or 02 numbers)

E-mail: complaints@hsbeil.com

We will always acknowledge your complaint within 5 business days and do our best to resolve it within four weeks. When we acknowledge your complaint we will send you a summary of our complaints handling procedure. This document is also available to all customers, on request. If you make a complaint, your right to take legal action against us is not affected by this procedure.

You may be eligible to refer your complaint to the Financial Ombudsman Service. There are a few instances where they will not be able to assist and they will confirm if your complaint is eligible when you contact them. Their contact details are:

Financial Ombudsman Service
Exchange Tower,
Harbour Exchange Square,
London E14 9SR
www.financial-ombudsman.org.uk
email: complaint.info@financial-ombudsman.org.uk

Covéa Insurance

Norman Place

Reading

RG1 8DA

Telephone: 0330 221 0444

Fax: 0118 955 2211

www.coveainsurance.co.uk

Covea Insurance plc

Registered Office: Norman Place, Reading, Berkshire RG1 8DA

Registered in England and Wales No. 613259

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Financial Conduct Authority and the Prudential Regulation Authority No. 202277

