

EXISTING BUILDINGS INSURANCE

Extension



Additional Definitions to Existing Buildings Insurance

THIS SECTION APPLIES ONLY WHERE SHOWN AS OPERATIVE IN THE SCHEDULE

1 Damage shall mean

physical loss physical destruction or physical damage

2 Property Insured shall mean

Existing Buildings as defined below or more fully described in the Schedule and all being the property of the Insured or for which they are responsible at the site of the Contract

- A) buildings (including foundations) built mainly of brick stone concrete or other non-combustible materials
- B) landlord's fixtures and fittings (including fixed glass and fitted carpets) and tenants improvements for which the Insured is responsible in on or around the Buildings
- C) furnishings and other contents of common parts of the Buildings
- D) walls gates fences and Services

existing at the commencement of the Contract but excluding unless specifically notified to and accepted as insured by the Company land roads pavements car parks and hardstandings piers jetties bridges culverts excavations and trees

3 Services shall mean

telephone gas electricity water mains drains and sewers electrical instruments meters piping cabling and the accessories thereon providing services to or from the Existing Buildings all being the property of the Insured or for which they are responsible and situate at the site of the Contract

4 Sum Insured shall mean

the Sum Insured plus Value Added Tax which is irrecoverable by the Insured

5 Stipulations shall mean

European Community Legislation or Building Regulations or local authority or other statutory requirements

6 Declared Value shall mean

the base value shown in brackets below the sum insured but if the loss is settled under the Alternative Basis of Settlement the Declared Value shall be 115% of the base value shown or if no base value is shown it shall be deemed to be the sum insured

7 Insurable Amount shall mean

the total cost of reinstating the Property Insured (if destroyed) to a condition substantially the same as existing at the commencement of the Period of Insurance at the level of costs applying at the commencement of the Period of Insurance

8 Territorial Limits shall mean

Great Britain Northern Ireland the Channel Islands or the Isle of Man

9 Terrorism

In Great Britain and Northern Ireland Terrorism shall mean

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

In so far that the insurance by this Policy is extended to include any situation elsewhere than in Great Britain and Northern Ireland Terrorism shall mean

any act including but not limited to the use of force or violence or the threat of any person or group of persons whether acting alone or on behalf of or in connection with any organisation or government committed for political religious ideological or similar purposes including the intention to

A) influence any government or any international governmental organisation or

B) put the public or any section of the public in fear

10 Failure of a System shall mean

the complete or partial failure or inability whether in terms of availability functionality including performance or otherwise of a System whether or not owned by the Insured to operate at any time as desired as specified or as required in the circumstances of the Insured's business activities

11 System shall include

computers other computing and electronic equipment linked to computer hardware electronic data processing equipment Microchips and anything which relies on a Microchip for any part of its operation

12 Microchip shall mean

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

13 Virus shall mean

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

Existing Buildings Insurance

If Damage to the Existing Building by any cause not excluded occurs the Company will pay to the Insured in accordance with the provisions of the Insurance the amount of loss or at its option reinstate or replace such property

Provided that

- i) The Company's liability in respect of all losses arising out of any one occurrence of Damage shall not exceed in the whole the total sum insured or in respect of any item its sum insured or any other stated limit of liability
- ii) The Insured's Contribution will be payable before the Company shall become liable to make any payment

In respect of Existing Buildings which have suffered Damage the Company will pay the following costs

A Debris Removal

the cost of removing debris being

the cost incurred with the Company's consent in

- i) removing debris dismantling demolishing shoring up and propping portions of the Property Insured
 - ii) clearing cleaning or repairing Services at the site of the Contract as a result of Damage to the Property Insured
- but excluding any costs or expenses
- a) incurred in removing debris from outside the site of the Contract (or other locations insured) other than from the surface area immediately adjacent to the perimeter thereof
 - b) incurred or arising from pollution or contamination howsoever caused of property not covered by this Insurance

B Reinstatement

the cost of reinstatement being

- i) where the property is destroyed or lost the cost of rebuilding
- ii) where the property is damaged the cost of repairing or restoring the damaged portions

to a condition substantially the same as but not better or more extensive than its condition when new

C European Community and Public Authority Requirements

the cost of complying with European Community and Public Authorities' Requirements being such additional cost of reinstatement of the Property Insured as may be incurred with the Company's consent in complying with Stipulations first imposed upon the Insured following the Damage

D Professional fees

the cost of professional fees being those necessarily incurred in the repair reinstatement or replacement of the Property Insured consequent upon Damage thereto for which indemnity is provided by this Policy (but not for preparing any claim) The amount payable shall not exceed that authorised under the scales of the various institutes and bodies regulating such charges

E Plans and documents

the cost of replacing plans and documents being the clerical costs necessarily incurred in re-writing redrawing or reproducing plans drawings or other Development documents damaged within the Territorial Limits provided that the liability of the Company shall not exceed £50,000 in respect of any one occurrence of Damage

F Expediting costs

the cost of expediting repair reinstatement or replacement being the additional costs of overtime weekend and shift working plant hire charges express delivery (including air freight) necessarily and reasonably incurred in expediting repair reinstatement or replacement of such Damage provided that the liability of the Company shall not exceed £50,000 in respect of any one occurrence of Damage

Provisions

I Alternative Basis of Settlement

The Company's liability shall be limited to the Alternative Basis of Settlement (as defined below)

- i) until the cost of reinstatement has actually been incurred
- ii) if the work of reinstatement is not carried out as quickly as is reasonably practicable
- iii) if in the Schedule it is stated that the Alternative Basis of Settlement applies

Under the Alternative Basis of Settlement the Company will pay the cost of reinstatement as defined under paragraph B) above less an appropriate deduction for wear and tear plus the costs under paragraphs A C D E and F above

2 Partial Damage

Where Damage occurs to only part of the property the Company's liability shall not exceed the amount which the Company would have been liable to pay had the property been wholly destroyed

3 European Community and Public Authorities' Requirements

The Company shall not be liable in respect of cost B for any rate tax duty development or other charge or assessment which may arise out of capital appreciation as a result of complying with any of the Stipulations referred to in cost B

4 Underinsurance

If at the time of the Damage the Declared Value (as stated in the Schedule) is less than 85% of the Insurable Amount the Company shall only be liable for that proportion of the amount otherwise payable which the Declared Value bears to the Insurable Amount

The total cost referred to shall include the costs of removing debris or complying with European Community and Public Authorities' Stipulations and professional fees

Exclusions to Existing Buildings Insurance

This Insurance does not cover

1 Other Insurances and Normal Upkeep

- a) property which is more specifically insured
- b) deeds bonds bills of exchange promissory notes cash bank notes cheques securities for money and stamps
- c) aircraft hovercraft or watercraft or any property therein or thereon
- d) normal upkeep or normal making good

2 Contractual Agreement Machinery Breakdown and Testing

Damage

- A) for which the Insured is relieved of responsibility under the conditions of any contractual agreement
- B) to any item of machinery plant tools or equipment caused by its own breakdown or its own explosion
- C) to any item of machinery or plant caused by its testing or commissioning but

this shall not apply to Damage

- i) which occurs within 14 days from the start of the testing or commissioning
- or
- ii) caused by fire

3 Disappearance or Shortage

unexplained disappearance or inventory shortage misfiling or misplacing of information

4 Penalties Under Contract

penalties under contract for delay or non-completion or loss of any nature whatsoever except as specifically insured

5 Pressure Waves War and Allied Risks and Radioactive Contamination

Damage

- A) occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
- B) occasioned by war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection military or usurped power or nationalisation confiscation requisition seizure or destruction by the government or any public authority
- C) to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any loss directly or indirectly caused by or contributed to 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 thereof

6 Insured's Contribution

the Insured's Contribution being the first part of each and every loss to be borne by the Insured as ascertained after the application of all other terms and Conditions of the Insurance

In the event of Damage to property where more than one Insured's Contribution is applicable then only the highest amount shall be deducted

7 JCT 21.1.1 Perils

Damage caused to the Existing Buildings happening during the Period of Insurance and caused by collapse subsidence heave vibration weakening or removal of support or lowering of ground water arising out of or in the course of or by reason of the carrying out of the Constructional Works

8 Inherent Defects

Damage caused by inherent defects in design plan specification materials or workmanship in the Existing Buildings

For the purpose of the Policy and not merely this Exclusion the Existing Buildings shall not be regarded as Damaged solely by virtue of the existence of any defect in design plan specification materials or workmanship in the Existing Buildings or any part thereof

9 Terrorism

Damage or loss resulting from Damage occasioned by or happening through or in consequence directly or indirectly of

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

and

- B) in Northern Ireland civil commotion

This Policy also excludes Damage or loss resulting from Damage directly or indirectly caused by resulting from or in connection with any action aimed at controlling preventing suppressing or in any way relating to an act of Terrorism

In any action suit or other proceedings where the Company alleges that by reason of this Exclusion any Damage or loss resulting from Damage is not covered by this Policy the burden of proving that such Damage or loss is covered shall be upon the Insured

10 Electronic Risk

- A) Damage to Data which shall include but shall not be limited to
 - 1) damage to or corruption of Data whether in whole or in part
 - 2) unauthorised appropriation of use of access to or modification of Data

- 3) unauthorised transmission of Data to any third parties
 - 4) damage arising out of any misinterpretation use or misuse of Data
 - 5) damage arising out of any operator error in respect of Data
- B) Damage to the Property Insured arising directly or indirectly from
- 1) the transmission or impact of any Virus
 - 2) unauthorised access to a System
 - 3) interruption of or interference with electronic means of communication used in the conduct of the Insured's business including but not limited any to any diminution in the performance of any website or electronic means of communication
 - 4) Failure of a System
 - 5) Any of the matters described in paragraph A) above

but in respect of B)1) B) 2) B) 3) and B) 4) this shall not exclude subsequent Damage to the Property Insured caused by fire lightning explosion earthquake aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked-out workers persons taking part in labour disturbances storm flood escape of water from any tank apparatus or pipe impact by any road vehicle or animal accidental escape of water from any automatic sprinkler installation subsidence ground heave or landslip provided that such Damage does not arise by reason of any malicious act or omission

Extensions to Existing Buildings Insurance

(each of which is subject otherwise to the terms of this Policy)

1 Automatic Reinstatement after a Loss

In the absence of written notice by the Insured or the Company to the contrary within 30 days of the discovery of any Damage the Company's liability shall not be reduced by the amount of any loss and the Insured shall pay the appropriate additional premium for such automatic reinstatement of cover from the date of the expiry of the Period of Insurance and any such additional premium will be disregarded for the purpose of any adjustment of premium under General Condition 6

2 Other Interests

The interest in the Property Insured of any party entering into an agreement with the Insured (or any principal of the Insured) is noted in this Insurance in respect of that part of the Property Insured to which the agreement relates and to the extent that the agreement requires such interest to be noted

3 Reinstatement by the Company

The Company may at its own option reinstate or replace any property which suffers Damage without being bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner

4 Series Losses

Where Damage of or to the Property Insured occurs continuously or intermittently during one period of 72 consecutive hours caused by storm tempest flood escape of water or earthquake it shall be deemed to be a single event and therefore constitute one loss for the purpose of the application of the Insured's Contribution

5 Minimisation of Loss Expenses

If upon the happening of any cause not excluded resulting in actual Damage or the threat of imminent Damage to the Property Insured expenses are necessarily and reasonably incurred by or on behalf of the Insured in an attempt to prevent or minimise further Damage arising from that occurrence or to allow execution of the Constructional Works to continue then the Company will (subject to the terms of this Section insofar as they can apply) indemnify the Insured in respect of such expenses

Provided that

- i) the liability of the Company shall be limited to 10 per cent in respect of any one occurrence of Damage or such larger amounts as the Company may in writing approve
- ii) the Company shall not be liable for costs and expenses incurred to prevent or minimise further occurrences or happenings of a similar nature

6 Exhibitions and Models

Subject to all the Provisions and Exclusions the cover granted by this Insurance is extended to apply to exhibition display models and similar promotional equipment subject to a limit of £50,000 in respect of any one occurrence of Damage in addition to the Sum Insured shown in the Schedule

7 Munitions

Exclusion 5 B) will not apply to Damage from or occasioned by the presence of munitions of war in or about the vicinity of the site of the Development insured hereunder

Provided that the presence of such munitions does not result from a state of war current at the time of such Damage

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