

CONTRACTORS PLANT & EQUIPMENT SECTION

Only applicable if this Section is shown as operative in the Schedule

Definitions

DAMAGE

The word DAMAGE in capital letters shall mean physical loss destruction or damage

Property Insured

The property detailed in the Schedule

Deferred Purchase

An arrangement whereby the Insured enters into an agreement which entitles the Insured to defer payment for Property Insured for a period in excess of usual trade credit

Notice of Adjudication

Any notice issued by a party to a contract to which the Housing Grants Construction and Regeneration Act 1996 applies stating an intention to refer a dispute under contract to adjudication

Owned Plant

Property owned by the Insured as described in the Schedule

Hired in Plant

Property hired in by the Insured as described in the Schedule

Part 1 – Damage to Owned Plant

Indemnity

The Company agrees that in the event of DAMAGE (other than DAMAGE hereby excluded) to the Property Insured which is owned by or on Deferred Purchase or leased to the Insured whilst situate or in transit anywhere in the United Kingdom the Republic of Ireland the Isle of Man or the Channel Islands and at the time of such DAMAGE the Property Insured

a) is less than or equal to 1 year old from the date of sale as new the amount payable shall be Reinstatement as detailed in the Reinstatement Clause

b) is more than 1 year old from the date of sale as new the Company will pay to the Insured the value of the Property Insured at the time of the DAMAGE or the cost of repair of the DAMAGE to a condition substantially the same as but not better or more extensive than the condition at the time of the DAMAGE or at its option reinstate or replace such Property Insured

Exclusion applicable to Part 1

This part does not cover

Breakdown

DAMAGE to Property Insured by its own explosion mechanical or electrical breakdown failure breakage or derangement including but not limited to DAMAGE caused by any failure to maintain the Property Insured in accordance with manufacturers recommendations but not including DAMAGE caused by the error or omission of the driver(s) or operator(s) of the Property Insured other than in respect of failure to maintain

Extension applicable to Part 1

Additional Property

The Insurance extends to include additions to the Property Insured occurring after the commencement of the Period of Insurance for the period up to the next renewal date subject to a maximum of £10,000 (in the aggregate) above the sums insured stated in the Schedule provided that the Property Insured is on a specified item basis

CONTRACTORS PLANT & EQUIPMENT

Clause applicable to Part 1

Reinstatement

In the event of DAMAGE to the Property Insured the amount payable shall be the reinstatement of the Property Insured

For this purpose "reinstatement" means

- a) where any item of property suffers DAMAGE to the extent that it cannot be economically repaired replacement by new property of equal performance and/or capacity or if such be impossible replacement by property having the nearest higher performance and/or capacity to the property which has suffered DAMAGE
- b) where the property suffers DAMAGE the repair of the DAMAGE and the restoration of the portion of property suffering DAMAGE to a working condition substantially the same as but not better or more extensive than its condition when new

Special Provisions

- 1) No payment beyond the amount which would have been payable in the absence of this memorandum shall be made
 - a) unless reinstatement commences and proceeds without unreasonable delay
 - b) until reinstatement has been carried out
 - c) if the Property Insured at the time of its DAMAGE shall be insured by any other insurance effected by or on behalf of the Insured which is not upon the same basis of reinstatement

- 2) If at the time of reinstatement the sum representing eighty-five per cent of the cost which would have been incurred in reinstating the whole of the Property Insured exceeds the sum insured thereon at the commencement of any DAMAGE the liability of the Company shall not exceed that proportion of the amount of the DAMAGE which the sum insured shall bear to the sum representing the cost of reinstating the whole of the property at that time
- 3) All terms exclusions and conditions of this Section shall apply
 - a) in respect of any claim payable under the provisions of this memorandum except in so far as they are varied hereby
 - b) where claims are payable as if this memorandum had not been incorporated

Part 2 – Damage to Hired In Plant

Indemnity

The Company agrees that in the event of DAMAGE (other than DAMAGE hereby excluded) to the Property Insured hired in by the Insured whilst situate or in transit anywhere in the United Kingdom the Republic of Ireland the Isle of Man or the Channel Islands

The Company will indemnify the Insured against all sums they shall become legally liable to pay for

- a) DAMAGE to the Property Insured hired in by the Insured
- b) continuing hiring charges levied upon the Insured in consequence of such DAMAGE

CONTRACTORS PLANT & EQUIPMENT

Clauses applicable to Parts 1 & 2

Payments on Account

In the event of DAMAGE the Company will make monthly payments on account to the Insured if desired

Indemnity to Principal

The insurance provided by this Section is extended to indemnify the Insureds employer/ purchaser/principal solely to the extent required by the conditions of contract in force between the Insured and the employer/ purchaser/principal provided always that such employer/ purchaser/principal shall as if they were the Insured observe fulfil and be subject to the terms exclusions and conditions of the Policy

Own Surrounding Property and Goods Lifted

The insurance provided by this Section is extended to include

- a) DAMAGE (other than DAMAGE hereby excluded or DAMAGE to the contents or load being handled by the Property Insured) to property not described in the Schedule belonging to the Insured or in his custody or control caused by accidental external impact with any item of Property Insured described in the Schedule or with the contents or load being handled by such Property Insured
- b) The insurance provided by this Section is extended to include DAMAGE (other than DAMAGE hereby excluded) to goods in the custody or control of the Insured caused by accidental external impact whilst being handled by any item of Property Insured described in the Schedule

provided that the liability of the Company shall not exceed £10,000 in respect of such DAMAGE during any Period of Insurance

Limit of Liability

The liability of the Company shall not exceed

- a) if cover is provided by this Policy in respect of Part 1 the sums insured stated in the Schedule or the balance of such sums insured remaining after deduction for any other DAMAGE occurring during the same Period of Insurance unless the Company shall have agreed to reinstate any such sum insured provided that the Property Insured is on a specified item basis otherwise
- b) if cover is provided by this Policy in respect of Section 1 and/or 2 in total in respect of any one incident of DAMAGE or series of incidents of DAMAGE from a common cause the Limit of Liability stated in the Schedule

If more than one Insured is referred to in the Schedule this Section shall apply to each one as if a separate Policy had been issued to each provided the total amount of indemnity payable to all parties in respect of DAMAGE shall not exceed the sum insured

Security Warranty

In respect of all Owned and Hired in Plant it is warranted that the Property Insured is kept in a secure building compound or yard or that reasonable precautions are taken to secure or immobilise the Property Insured in such a manner as to prevent it from being moved when left unattended outside of working hours

CONTRACTORS PLANT & EQUIPMENT

Extensions applicable to Parts 1 and 2

The insurance by this Section extends to include

Expediting Costs and Temporary Repairs

Costs necessarily and reasonably incurred in making temporary repairs upon and/or expediting the repair reinstatement or replacement of the Property Insured as a result of DAMAGE provided the liability of the Company shall not exceed 50% of the normal cost of repair or £2,500 whichever is the less

Repair Costs Investigation

Additional costs relating to repair investigations and tests following indemnifiable damage to the Property Insured by consulting engineers not exceeding £25,000 in any one Period of Insurance with the prior written agreement of the Company The Company shall not be liable under this Extension for fees incurred in preparing a claim under this Section

Hiring Conditions

- a) Whenever the Property Insured by Part 1 is let out on hire the hire shall be subject to
 - i) the Model Conditions for the Hiring of Plant recommended by the Construction Plant-hire Association or the Scottish Plant Owners Association or Conditions no less onerous or
 - ii) specific conditions agreed by the Company in writing and endorsed hereon
- b) The insurance by Part 2 will indemnify the Insured to the extent required by the conditions set out in paragraphs a i) and a ii) above

Re-hired Machinery

Machinery hired in by the Insured and subsequently hired out must be hired out under conditions no less onerous than those under which it was hired in

Debris Removal Costs

Costs incurred with the Company's consent in the removal of debris and protection of the Property Insured consequent upon DAMAGE for which indemnity is provided by this insurance but provided the liability of the Company shall not exceed £25,000 or 20% of the DAMAGE whichever is the lower

Legal Proceedings

Legal costs incurred in the defence of proceedings against the Company provided that the written consent of the Company must be obtained before any costs are incurred and the Company shall be entitled to nominate a solicitor to represent the Insured

Loss Avoidance Procedures

The reasonable costs incurred in taking exceptional measures to prevent or mitigate impending DAMAGE for which indemnity is provided by this Section provided that

- a) DAMAGE would reasonably be expected if such measures were not implemented
- b) the Company are satisfied that DAMAGE has been avoided or mitigated by means of the exceptional measures
- c) the amount payable will be limited to the cost of DAMAGE which would have otherwise occurred
- d) the terms and conditions of this Policy apply as if DAMAGE had occurred
- e) the liability of the Company in the event of loss under this extension shall not exceed the sum insured

Automatic Reinstatement of Sum Insured

The reinstatement of the sum insured from the date of occurrence of any claim at additional premium The Company will waive the additional premium if the cost of the claim does not exceed £25,000

CONTRACTORS PLANT & EQUIPMENT

Immobilised Property

Costs necessarily and reasonably incurred by the Insured to recover Property Insured which has become accidentally immobilised during normal operations other than by its own explosion mechanical or electrical breakdown failure breakage or derangement (including but not limited to DAMAGE caused by any failure to maintain the Property Insured in accordance with the manufacturers recommendations but not including DAMAGE caused by the error or omission of the driver(s) or operator(s) of the Property Insured other than in respect of failure to maintain) provided that

- a) the liability of the Company shall not exceed £25,000 in respect of all recoveries during any Period of Insurance
- b) such costs do not exceed the sum which would otherwise have been payable under the terms of this Section had such costs not been incurred
- c) the Company shall not be liable in respect of DAMAGE in order to effect recovery of Property Insured

Special Conditions applicable to Parts 1 and 2

Multiple Lifting Operations

For the insurance provided under this Section to be operative during any operation in which a load is shared between more than one item of machinery classed as lifting plant or lifting equipment (of which at least one item of the equipment involved in such lifting operations is insured by this Section) the lifting operation must be conducted in accordance with BS7121

Notice of Adjudication

In the event of the Insured receiving a Notice of Adjudication relating to any circumstance which has given or may give rise to a claim under this Section the Insured shall give immediate notice (or on the first working day thereafter) thereof

Claims Notification and Requirements

In the event of DAMAGE for which a claim is to be made under this Section the Insured shall retain any damaged Property Insured or parts for inspection

Minor Repairs

The Insured may without prejudice to liability proceed with minor repairs subject to compliance with General Condition 3

Average

If any Item 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

The Insured shall take

- a) all reasonable precautions to prevent DAMAGE and shall maintain the Property Insured in efficient working condition
- b) comply with any statute or order

Access

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

Alteration or Modification

The Insured shall notify the Company of any proposed alterations or modifications to the Property Insured

Suspension of Cover

The Company reserves the right to suspend the insurance at any time by written notice to the Insured until the Company requirements have been fulfilled

CONTRACTORS PLANT & EQUIPMENT

Premium Adjustment

Where the premium has been calculated on estimates the Insured shall within one month from the expiry of each Period of Insurance furnish such particulars and information as the Company may require and the premium for such period shall then be adjusted subject to the Company retaining the minimum retained premium shown in the Schedule Should the Insured fail to supply such particulars the Company shall be entitled to charge a reasonable additional premium in respect of that Period of Insurance

Identification

This Section incorporates the schedule memoranda and endorsements which shall be read together as one contract Words and expressions to which specific meaning is given in any part of this Section shall have the same meaning wherever they appear

General Exclusions

The insurance by this Section does not cover

1. Excess

The first £500 of each and every loss except for DAMAGE by theft or malicious damage where the amount excluded is increased to £1,000

2. War Risks

DAMAGE directly or indirectly occasioned 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 property by or under the order of any government or public or local authority

3. Nuclear Risks

DAMAGE to property or loss expense or consequential loss directly or indirectly 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

4. Sonic Bangs

Any loss directly caused by the pressure waves of aircraft or other aerial devices travelling at sonic or supersonic speeds

5. Intentional Acts

DAMAGE caused by

- a) the intentional act or wilful neglect of the Insured
- b) i) intentional overloading
 - ii) testing or experiments involving the imposition of any abnormal conditions

6. Wear and Tear

DAMAGE solely due to

- 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 subsequent DAMAGE not otherwise excluded

7. Guarantee of Performance

Penalties for delay or detention or in connection with guarantees of performance or efficiency

8. Date Recognition

DAMAGE directly or indirectly caused by or contributed to by or arising from the failure of any computer or other equipment data processing service product microchip micro processor integrated circuit embedded chip or similar device computer software program or process or any other electronic system or any design or advice in connection with any of the foregoing irrespective of ownership possession or use and whether occurring before during or after the Year 2000

CONTRACTORS PLANT & EQUIPMENT

- i) correctly to recognise any date as its true calendar date
- ii) to capture save or retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
- iii) to capture save or retain or correctly to process any data 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 to process such data on or after any date

but this shall not exclude subsequent DAMAGE not otherwise excluded which itself results from fire lightning explosion aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked-out workers persons taking part in labour disturbances malicious persons theft earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal provided such contingency is insured by this Section

9. Terrorism

Loss damage cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with:

1. Any act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss
2. Any action taken in controlling preventing suppressing or in any way relating to any act of Terrorism

If the Company alleges that by reason of this exclusion any loss damage cost or expense is not covered by this Section of the Policy the burden of proving the contrary shall be upon the Insured

In the event any portion of this exclusion is found to be invalid or unenforceable the remainder shall remain in full force and effect

For the purpose of this exclusion an act of Terrorism shall mean an act including but not limited to the use of force or violence and or threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) committed for political religious ideological or similar purposes including the intention to influence any government and or put the public or any section of the public in fear

10. Northern Ireland

DAMAGE in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of

- i) civil commotion
- ii) TERRORISM as defined in 9. Terrorism above

In any action suit or other proceedings where the Company alleges that by reason of this definition any DAMAGE is not covered by this Section the burden of proving that such DAMAGE is covered shall be upon the Insured

11. Electronic Risks

DAMAGE to any computer or other equipment or component or system or item which processes stores transmits or retrieves data or any part thereof whether tangible or intangible (including but without limitation any information programs or software) and whether the property of the Insured or not where such DAMAGE is caused by programming or operator error Virus or Similar Mechanism or Hacking

but this shall not exclude DAMAGE not otherwise excluded which itself results from a Defined Peril save in respect of malicious persons other than thieves

CONTRACTORS PLANT & EQUIPMENT

For the purposes of this Section
Exclusion the following Definitions apply:

Definitions:

- a) Virus or Similar Mechanism shall mean program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise adversely affect computer programs data files or operations whether involving self-replication or not

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

- b) Hacking shall mean unauthorised access to any computer or other equipment or component or system or item which processes stores transmits or retrieves data

12. Riot Strike and Civil Commotion

DAMAGE resulting from riot strike lock-out or civil commotion

13. Airborne and Waterborne Craft

DAMAGE to any airborne or waterborne vessel craft platform or rig nor any of the Property Insured situate thereon

14. Consequential Loss

Financial loss loss of profits loss due to delay or consequential loss of any kind not more specifically insured by this Section

15. Transit by Sea and Air

DAMAGE occurring whilst the Property Insured is in transit by sea or air

16. Rubber Tyres

DAMAGE to rubber tyres unless such DAMAGE forms part of other DAMAGE for which insurance is provided under this Section or unless such DAMAGE arises out of a malicious act

17. Excluded Parts

DAMAGE to

- a) tools cutting edges moulds dies patterns non-metallic linings glass pulverising and crushing surfaces flexible pipes trailing cables drive belts or parts requiring periodic renewal unless forming part of other insured loss or damage for which liability has been accepted by the Company under this Specification
- b) underground buried or flexible piping
- c) safety or protective devices due to their functioning

18. Hand Tools

DAMAGE to hand tools unless specifically described in the Schedule

19. Application of Tools

DAMAGE caused by the application of any tool or process during the course of maintenance inspection modification or overhaul

20. Underground Damage and Recovery

- a) DAMAGE occurring underground
- b) Recovery costs and abandonment of the Property Insured underground

21. Pollution or Contamination

DAMAGE caused by pollution or contamination (unless otherwise excluded) except DAMAGE caused by

- a) pollution or contamination which itself results from any DAMAGE insured
- b) any DAMAGE insured which itself results from the pollution or contamination

22. Unexplained Losses

The Company shall not be liable for unaccountable losses or losses discovered on the occasion of checks or inventories unless the Insured can produce reasonable proof that such losses are as a result of DAMAGE

Special Clauses

Clause 1 applicable only if the Clause number is entered in the Schedule Clause 2 applicable only if referred to in the Schedule

1. Temporary Cover

The first premium has been calculated to take into account the cost of temporary cover (in accordance with particulars lodged with the Company) pending issue of this Policy

2. Long Term Agreement

The discount shown in the Schedule is allowed off the net premiums on this Section in consideration of the Insured having given an undertaking expiring on the date stated in the Schedule to offer annually the insurance under this Section on the terms and conditions in force at the expiry of each Period of Insurance and to pay the premium annually in advance it being understood that

- a) the Company shall be under no obligation to accept an offer made in accordance with the above-mentioned undertaking
- b) where appropriate the Sum Insured may be reduced at any time to correspond with any reduction in value

The above-mentioned undertaking applies to any Policy (or policies) which may be issued by the Company in substitution for this Section and the same discount shall be allowed off the net premiums on any substituted Policy or policies issued by the Company as aforesaid

Payment of the premium due at the expiry date shown in the Schedule shall be deemed acceptance by the Insured of the terms of this Clause





