

## Client News

### Construction Select Policy

Following a review of the cover available under this product, we are making a number of improvements and amendments.

We are introducing these changes to policies which are due for renewal on or after the 1st of November, 2009.

A summary of the key changes is detailed below. Your insurance adviser has been informed of the changes being made, and you should contact them if you would like further information.

Full details will be contained within a new policy wording which will be issued to you incorporating these changes following your instructions to renew. When you receive it, please take the time to read your new policy to ensure that it meets your needs and that you understand its terms, exclusions and conditions.

If you wish to change anything or if there is anything you do not understand, please let your insurance adviser or the Allianz Insurance office that issued your policy know. Adjustments are easily made and both ourselves and your insurance adviser will be pleased to help you. The key changes are:-

#### Cover Enhancements

- The scope of policy cover has been improved, and you will automatically benefit from the addition of some new covers, which have been included free of charge. The key additional covers added are:-

Contractors Public Liability Section; Piling and Underpinning exclusions deleted.  
Financial Loss and Obstructing Mechanically Propelled Vehicles extensions added.

#### Other Amendments

- There are a number of other changes being introduced; see the summary of other amendments below for details. These include;
  - automatically applied clauses, normally shown in the policy schedule, have been incorporated into the standard policy wording
  - a number of standard cover limits have been significantly increased
  - a number of amendments to clarify cover

**General Amendments** (other than new covers added)

### Contractors Employers' Liability Section

**New Definitions** - Act of Terrorism added

#### Amended Definitions

The following definitions have been transferred to the Policy General, Definitions, Exclusions and Conditions:-

- Employee
- Business
- Offshore Installations

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Registered in England number 84638. Registered Office: 57 Ladymead, Guildford, Surrey, GU1 1DB, United Kingdom.

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### **Basis of Settlement**

- Cover; cover extended to include under the indemnity to other parties in the event of your death, your personal representative in respect of liability incurred.
- Limit of Indemnity - automatically includes an Act of Terrorism, and the Corporate Manslaughter and Corporate Homicide Act 2007, both subject to a limit of £5M.
- Corporate Manslaughter and Corporate Homicide Act - cover automatically includes legal costs and expenses and prosecution costs in connection with the defence of any criminal proceedings brought under The Corporate Manslaughter and Corporate Homicide Act 2007.

### **Amended Extensions**

- Court Attendance Compensation; daily limit increased to £500 in respect of any director and partner and £250 in respect of any employee.

### **Section Conditions**

- Other insurances - extended so that this does not apply in respect of any rateable proportion under other policies.

## **Contractors Public Liability Section**

### **New Definitions**

The following definitions have been added; Excess, an Act of Terrorism, Asbestos, Intellectual Property Rights and Notice of Adjudication

### **Amended Definitions**

The following definitions have been transferred to the Policy General, Definitions, Exclusions and Conditions:-

- Employee
- Business
- Offshore Installations

### **Basis of Settlement**

- Cover - extended to include under the indemnity to other parties in the event of your death, your personal representative in respect of liability incurred
- Limit of Indemnity extended to include liability in respect of an Act of Terrorism, Asbestos, and the Corporate Manslaughter and Corporate Homicide Act 2007, all subject to a limit of £5M or the amount shown in the Schedule whichever is the lesser. These limits would previously have been added as separate clauses to your Schedule.

### **Amended Extensions**

- Data Protection Act inner limit removed.
- Defective Premises Act exclusion of the presence of Asbestos added.
- Court Attendance Compensation; daily limit increased to £500 in respect of any director and partner and £250 in respect of any employee.

## **New Extensions**

The following extensions have been added:-

- Corporate Manslaughter and Corporate Homicide Act - cover automatically includes legal costs and expenses and prosecution costs in connection with the defence of any criminal proceedings brought under The Corporate Manslaughter and Corporate Homicide Act 2007.
- Financial Loss - cover extends to you against liability at law for damages and claimants costs and expenses and costs and expenses for accidental Financial Loss in connection with the business. Cover is subject to certain terms and exclusions. Please note that this is a claims made cover and claims must be notified to us during the period of insurance or within 30 days after the expiry of the period of insurance. An excess of £350 applies and a limit in respect of any one claim and in total of £10,000 inclusive of all costs and expenses applies.
- Obstructing Mechanically Propelled Vehicles - cover extends to include a mechanically propelled vehicle which causes an obstruction

## **Contractors All Risks Section**

### **New Definitions**

The following definitions have been added;

- Contract Period
- Employer

### **Amended Definitions**

The following definitions have been amended;

- Contract Price to refer also to single phase of speculative development
- Hired in Plant now includes Hired In Temporary Buildings and renamed Hired In Property
- Employee defined for purposes of Employees Tools and Personal Effects
- Show Houses and Show Flats removed from definition of Property Awaiting Sale

### **New Extensions**

- Show Houses and Show Flats covered without period limit whilst being used as such subject to
- £500k limit on the building of any one property and £50k on contents therein  
Interested Parties

### **Amended Extensions**

- Negligent Breakdown and Continuing Hire Charges Plant Hired In inner limit removed and excess increased from £250 to £350.
- Property Stored reworded and limit of £250k any one location added.
- Free Issue Materials extension wording clarified
- Plant and Tools extension now includes cover for Hired In Property at Insured's premises or elsewhere in locked building or locked compound

### **Deleted Extensions**

- Employees Tools and Personal Effects whilst anywhere within the Territorial Limits

### **Exclusions**

- Tower crane exclusion deleted
- Cover for property on hire with conditions more onerous than CPA clarified
- Theft cover from unattended vehicles overnight extended to apply to vehicles in securely locked compound as well as securely locked building
- Multiple Lifting exclusion added

### **Section Conditions**

- Notice of Adjudication condition added.
- Joint Code of Practice condition added and applicable to contracts of £2.5m and over

## **Policy General, Definitions, Exclusions and Conditions**

### **Definitions**

- definition of United Kingdom added

### **Amended Definitions**

The following definitions have been transferred from Contractors Public Liability and Contractors Employers Liability sections:-

- Employee - definition extended to include any person working under the Community Offenders Act 1978, the Community Offenders (Scotland) Act 1978 or similar legislation, and any prospective employee being assessed by the Insured as to their suitability for employment
- Business - definition extended
- Offshore Installations

### **Exclusions**

- Radioactive Contamination amended to clarify that the Property Damage and Loss of Rent Sections exclude loss or damage directly or indirectly caused by or contributed to by or arising from the use of or threatened use of any weapon dispersing radioactive material and/or ionising radiation or using atomic or nuclear fission and/or fusion or other like reaction. This does not apply to the Terrorism Section which remains unaltered.

### **Conditions**

- Cancellation - rights of Insured clarified
- Choice of Law - amended to include Jurisdiction provision and re-titled Applicable Law and Jurisdiction
- Assignment - new condition added
- Survey and Risk Improvement Condition - new condition incorporated into the policy; however note that this would normally have been automatically included as a clause on your Schedule.

## Legal Expenses

The Construction Select Legal Expenses Section of your policy has been improved and updated as detailed below:-

Where previously you were insured for **Section 1 - Prosecution defence** only your Legal Expenses cover has now been improved as shown below and extended to include Allianz Legal Online :-

Cover Event	Limit of Indemnity / claim	Excess	Additional Significant Exclusion / Limitations
3. Criminal Prosecution Defence	£100,000	£100	Your cover excludes the defence of a prosecution relating to: <ul style="list-style-type: none"> <li>• Taxation proceedings</li> <li>• Allegations of fraud, theft or violence</li> <li>• The ownership, possession, hiring or use of aircraft, watercraft, motor vehicles, trailers or caravans.</li> </ul>

Where previously you were insured for **Sections 1 to 7** your Legal Expenses cover has now been improved and extended as shown below and also incorporates Allianz Legal Online:-

Cover Event	Limit of Indemnity / claim	Excess	Additional Significant Exclusion / Limitations
1. Employment	£100,000	£500	Your cover excludes: <p>Disputes arising under the Transfer of Undertakings (Protection of Employment) Regulations 2006 or the Acquired Rights Directive.</p> <p>Disputes arising from any industrial dispute, industrial or labour arbitration or collective bargaining agreements.</p>
2. Taxation Proceedings	£100,000	£500	Your cover excludes: <p>Taxation proceedings which arise out of a failure to observe statutory time limits or requirements.</p> <p>Any Aspect enquiry by HM Revenue and Customs.</p> <p>Any IR35 by HM Revenue and Customs.</p>
3. Criminal Prosecution Defence	£100,000	£100	Your cover excludes the defence of a prosecution relating to: <ul style="list-style-type: none"> <li>• Taxation proceedings</li> <li>• Allegations of fraud, theft or violence</li> <li>• The ownership, possession, hiring or use of aircraft, watercraft, motor vehicles, trailers or caravans.</li> </ul>

4. Damage to Premises	£100,000	£100	N/A
5. Data Protection	£100,000	£100	Your cover excludes: <ul style="list-style-type: none"> <li>• Any prosecution where you are accused of fraud or theft.</li> <li>• Any dispute relating to failure to register as a Data Controller.</li> <li>• Any dispute relating to your failure to comply with legislation concerning the processing of Sensitive Personal data.</li> </ul>
6. Commercial Tenancy Agreement	£100,000	£100	Your cover excludes: <ul style="list-style-type: none"> <li>• Any dispute over rent or service charges</li> <li>• Any dispute relating to the renewal of a lease or tenancy agreement.</li> </ul>
7. Licence Protection	£100,000	£500	Your cover excludes: <ul style="list-style-type: none"> <li>• Any licence hearing relating to allegations of sexual or indecent activities.</li> </ul>
8. Personal Injury	£100,000	Nil	N/A
9. Jury Service Allowance	£5,000	Nil	A limit of £100 per day applies.

**Irrespective of the Legal Expenses cover chosen, the following points should be noted**

**Allianz Legal Online** provides access to business support to help you produce legal paperwork in connection with your business. Instructions on how to access Allianz Legal Online are shown in your policy schedule.

Additional Significant Policy Exclusions:

There is no cover for:

- Awards of Compensation, Data Protection Compensation Awards, Jury Service Allowance or Witness Attendance Allowance incurred before the Insurers written consent and acceptance of a claim.
- Claims which do not arise from or relate to the Business, other than Jury Service Allowance.
- Claims by the Insured Person in respect of any event occurring prior to or existing at inception or on or after renewal of this Section which they knew or ought reasonably to have known about.
- Any Claim where in the Insurers opinion there are no Reasonable Prospects of a Satisfactory Outcome

A limit of £500,000 applies in total for all claims occurring under this section during the Period of Insurance.

A copy of the new Construction Select Legal Expenses section which now forms part of your policy is attached along with a revised policy schedule detailing the operative cover events and Master Policy Reference that applies to your cover.