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We welcome you as a Policyholder of Argus Insurance Company (Europe) Limited, Malta Branch. We are a locally incorporated Branch associated with the Argus Insurance Group offering you an extensive insurance service. Please read this Policy Booklet together with your Schedule. These set out the cover you have chosen, plus any limits that apply. If you are not satisfied with the details or the policy does not cover your needs, please return the Schedule to your insurance adviser.

Argus Insurance Company (Europe) Limited has its origins on the Rock of Gibraltar, dating back to 1841, and is fully licensed to act as an Insurance Company by the Gibraltar Financial Services Commission (GFSC), Number FSC00027B. Argus Insurance Company (Europe) Limited, is a registered company in Gibraltar bearing Company number 01862 and holds its registered office at Regal House, Queensway, Gibraltar.

**Argus Insurance Company (Europe) Limited**

may be contacted at:  
Unit G.04 West One,  
Europort Road, Gibraltar  
Telephone: (+350) 200 79520  
Fax: (+350) 200 70942

**The Malta Branch of Argus Insurance Company (Europe) Limited No. OC 1216 is registered in Malta and licensed by the Malta Financial Services Authority (MFSA) to act as a third country branch of Argus Insurance Company (Europe) Limited, registered in Gibraltar No. 01862, licensed by the Gibraltar Financial Services Commission.**

**On receipt of your Policy**

To ensure that your Policy gives you the protection you need we recommend that you read it carefully and return it immediately if not in accordance with your requirements. The Policy Schedule specifies the Sections and sums insured you have selected; it is your evidence of insurance and may be required in the event of a claim. Remember also that even adequate insurance does not compensate completely for the worry and inconvenience that usually follow loss or accident. Please therefore take reasonable precautions. If you decide within 14 days of receipt that you do not wish to accept this Policy, return it and provided no claims have been made we will refund the premium.

**Operation of Cover**

This Policy provides cover against loss, damage, injury and legal liability which will happen during the period of insurance for which we have accepted your premium. This Policy is a legally binding contract between you the Insured and Argus Insurance Company (Europe) Limited. The proposal made by you is the basis of and forms part of this contract. We will provide insurance within the terms of this Policy for those Sections specified in the Schedule in respect of events occurring during the period of insurance or any subsequent period for which you pay and we will agree to accept a renewal premium.



**Alex Bonavia - Managing Director P & C**  
Argus Insurance Company (Europe) Limited

**IMPORTANT:** In the event of any occurrence likely to result in a claim under this insurance please contact Your local representative at the following address:

**Argus Insurance Company (Europe) Limited**

Trident Park, 8B Level 5, Notabile Gardens,  
Mdina Road, Central Business District Zone 2,  
Birkirkara CBD 2010, Malta  
Tel: +356 2342 2000 Fax: +356 2342 2190  
claims@argus.mt www.argus.mt

## DATA PROTECTION AND HOW WE PROCESS DATA

Processing of personal data is regulated by the General Data Protection EU 2016/679 together with other laws which relate to privacy and electronic communications. In this clause, we refer to these laws as Data Protection Law"

During the course of our engagement with you it will be necessary for you to disclose certain personal data to us in order that we provide our services to you and to enable us to discharge the services agreed, to comply with related legal and regulatory obligations for other related purposes including updating and enhancing clients records and analysis for management purposes. This will require us to obtain, use, disclose and otherwise process personal data about you and, if applicable, your organisation, its shareholders members and/or officers and employees.

For clarity, Data Protection Law contemplates various grounds which may render processing of personal data lawful, including where it is necessary for a contract, mandate by law, it is in your legitimate interest (and does not override your policy, and/or if you give us your consent. Our Privacy Notice (which can also be accessed at [www.argus.com.mt](http://www.argus.com.mt)) or provide to you in hard copy upon request, explains how we process personal data. In providing our services we act as an independent data controller and are, therefore responsible for complying with Data Protection Law in respect of any personal data we process. You are responsible for complying with Data Protection Law in respect of the personal data you process and, accordingly, where you disclose personal data to us you confirm and warrant that such disclosure is fair and lawful, that where applicable and necessary you have obtained lawful consent from others for you to pass on their personal data to us, to the Argus Group and third-parties to whom we disclose personal data (and for the Argus Group and said third-parties to share the personal data with us), and otherwise it does not contravene Data Protection Law. Noting within this document relieves you of your own direct responsibilities and liabilities under Data Protection Law Terms used in this clause bear the same meanings as are described to them in Data Protection Law. This clause does not apply to the extent that we act as a data processor for you I which case specific data protection instructions are to be signed between us.

### Basis Data Protection information

**Controller:** Argus Insurance Company (Europe) Limited, Malta Branch

**Purpose:** Management of Insurance Agreement, creation of profiles for suitable enforcement of the insurance agreement, integral and centralised management of the relation with Argus Group and delivery of information and advertising on ARGUS Group, and delivery of information and advertising on Argus Group products and services.

**Recipients:** Data may be communicated to third parties and/or data transfers may be made to third-party countries in the terms stipulated in the Additional Information.

**Rights:** You can exercise your rights of access, rectification, removal, limitations, objection and transferability, specified in the Additional Data Protection Information.

## GENERAL EXCLUSIONS

The Indemnity provided by this Policy shall not apply to nor include:-

1. (a) Any loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss;
- (b) Any legal liability of whatsoever nature
  - i. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
  - ii. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other explosive nuclear assembly or nuclear component thereof.

For the purpose of this exclusion only combustion shall include any self-sustaining process of nuclear fission or fusion.

2. Any loss, destruction, damage or legal liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material.
3. Any loss, destruction or damage directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.
4. Any loss, destruction, damage or liability directly or indirectly occasioned by or through or in consequence of:-
  - (a) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war.

Provided that loss or damage caused as a result of undetected weapons of war left below the surface of the ground or water or transferred there during any process of reclamation of land shall not be excluded by reason of this exception for any conflict which has ceased prior to inception of this Policy.

- (b) mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power.
- (c) (i) permanent or temporary dispossession resulting from confiscation, nationalisation, any awfully constituted authority,
- (ii) permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person,

provided that the Company is not relieved of any liability to the Insured in respect of physical damage to the Property insured occurring before dispossession or during temporary dispossession which is otherwise covered by this policy.

In any action suit or other proceeding where the Company alleges that by reason of the provisions of Exceptions (a) (b) and (c) above, any loss, destruction, damage or liability is not covered by this insurance the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured.

5. Loss or damage or liability occurring or arising after the commencement of the maintenance period except:-
  - (a) arising from a cause occurring during the construction period;
  - (b) caused by the Insured in the course of any operations carried out by him for the purpose of complying with his obligations under the Maintenance Clause(s) of any such Contract.

In the event of any part of the works insured by this Policy being taken into use by the Principal then for the purposes of this exclusion the maintenance period in respect of such works will be deemed to commence on the date of such taking over or taking into use.

## **TERRORISM EXCLUSION CLAUSE**

Notwithstanding any provision to the contrary within this insurance or any Endorsement thereto, it is agreed that this insurance excludes liability for loss, injury, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this Endorsement, an act of terrorism means an act, including but not limited to the use of force or violence and/or the 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 to put the public, or any section of the public, in fear.

This Endorsement also excludes loss, injury, damage, cost or expense of whatsoever nature 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.

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

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

## **TRANSMISSIBLE SPONGIFORM ENCEPHALOPATIES (TSE) EXCLUSION CLAUSE**

This Policy does not cover liability for all claims for losses relating to actual or probable casual elements (for example, prions) and any connected, possible illnesses in the area of transmissible spongiform encephalopathy (TSE) such as, for example, bovine spongiform encephalopathy (BSE), or new variant Creutzfeldt-Jakob disease (vCJD).

## **ASBESTOS EXCLUSION CLAUSE**

This insurance by this Policy excludes any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in the consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quality.

## **ELECTROMAGNETIC FIELDS ("EMF") EXCLUSION CLAUSE**

This Policy does not cover:

- Any liability, loss, cost or expense directly or indirectly arising out of, resulting from, caused or contributed to by exposure to magnetic electric or electromagnetic fields or radiation however caused or generated.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the loss, damage, cost or expense.

## **GENETICALLY MODIFIED ORGANISMS ("GMOS") EXCLUSION CLAUSE**

This Policy does not cover:

- Any liability, loss, cost or expense directly or indirectly arising out of, resulting from, caused by, or contributed to by Genetically Modified Organisms ("GMOs").

For purposes of this exclusion the term Genetically Modified Organisms ("GMOs") shall mean and include:

- (i) organisms or micro-organisms or cells, or the organisms or micro-organisms, cells or cell organelles, from which they have been derived, which have been subject to a genetic engineering process which resulted in their genetic change ;
- (ii) every biological or molecular unit with self replication potential, or biological or molecular unit with self replication potential from which they have been derived, which has been subject to a genetic engineering process which resulted in its genetic change.

In the event that the definition of GMO under the applicable laws and/or official regulations relating to genetic engineering or modification in any province, State, territory or jurisdiction in which a claim is made is wider than the foregoing then such wider definition shall be incorporated into this definition in addition to the foregoing.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the loss, damage, cost or expense.

## **FUNGUS, MILDEW AND MOULD EXCLUSION CLAUSE**

This Policy does not cover:

1. any liability, loss cost or expense arising out of, resulting from, caused by, contributed to, or in any way related to the existence, inhalation or exposure to any "fungus/fungi" and/or "Spores" ; or
2. any cost or expenses associated in any way, or arising out of the abatement, mitigation, remediation, containment, detoxification, neutralization, monitoring, removal, disposal, or any obligation to investigate or assess the presence or effects of any "fungus/fungi" and/or "spores" ; or
3. any obligation to share with or repay any person, organisation or entity, related in any way to items 1 and 2 above ;

regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to the injury or damage.

For the purpose of this exclusion, the following definitions apply:

"Fungus/fungi" includes but is not limited to, any form or type of mould, mildew, mushroom, yeast or biocontaminant;

"Spore(s)" includes, but is not limited to any substance produced by, emanating from or arising out of any "fungus/fungi".

## **INDUSTRIES, SEEPAGE, POLLUTION AND CONTAMINATION CLAUSE**

This Policy does not cover any liability for:-

- (a) Personal Injury or Bodily Injury or loss of, damage to, or loss of use of property directly caused by seepage, pollution or contamination, provided always that this paragraph (a) shall not apply to liability for Personal Injury or Bodily Injury or loss of or physical damage to or destruction of tangible property, or loss of use of such property, damaged or destroyed, where such seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this insurance ;



- (b) The cost of removing nullifying or cleaning-up, seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this insurance ;
- (c) Fines, penalties, punitive or exemplary damages.

## CYBER EXCLUSION

1. This policy excludes all loss, damage, liability, claim cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:
  - 1.1 any loss of, alteration of, or damage to or a reduction in the functionality, availability or operation of a Computer System
  - 1.2 any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data.
2. Any other Cyber Loss regardless of any other cause or event contributing concurrently shall not be recoverable and nor shall any amount pertaining to the value of such Data, be recoverable or be considered as physical loss or damage for the purposes of this exclusion.

## DEFINITIONS

**Cyber Loss** means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

**Computer System** means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.

**Data** means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

## SANCTIONS CLAUSE

The Company shall not be deemed to provide cover and shall not be liable to pay any claim or pay any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Company to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union.

## COMMUNICABLE DISEASE EXCLUSION

1. This policy excludes all actual or alleged loss of any kind, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense, loss of value, loss of use, or any other amount, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease or any action taken in controlling, preventing, suppressing or in any way relating to any outbreak of a Communicable Disease.
2. For the purposes of this exclusion, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense, loss of value, loss of use, or any other amount, includes, but is not limited to, any cost to contain, suppress, clean-up, detoxify, disinfect, decontaminate, remove, repair, replace, recall, inspect, assess, monitor or test:
  - 2.1 for a Communicable Disease; or
  - 2.2 any property insured hereunder that is affected or is feared to have been affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
  - 3.1 the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
  - 3.2 the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
  - 3.3 the disease, substance or agent can cause or threaten bodily injury, illness, emotional distress, damage to human health, human welfare or property damage, and
  - 3.4 the disease, substance or agent can cause or threaten damage to, deterioration of, loss of value of, marketability of, denial of access to, or loss or use of property insured hereunder.
  - 3.5 be it any epidemic or pandemic disease declared by the World Health Organisation or any other competent authority as a public health emergency of international concern.

This exclusion shall prevail and shall override anything contained in the Policy inconsistent herewith and will apply regardless of any otherwise covered cause, event or peril contributing concurrently or in any other sequence to the loss.

## GENERAL CONDITIONS

1. The due observance and fulfilment of the terms of this Policy in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the questionnaire and proposal made by the Insured shall be a condition precedent to any liability of the Company.
2. The Schedule and the Section(s) shall be deemed to be incorporated in and form part of this Policy and the expression "this Policy" wherever used in this contract shall be read as including the Schedule and the Section(s). Any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule or of the Section(s) shall bear such meaning wherever it may appear.
3. The Insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Company to prevent loss, damage or liability and comply with statutory requirements and manufacturers' recommendations.
4.
  - a) Representatives of the Company shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the Company with all details and information necessary for the assessment of the risk.
  - b) The Insured shall immediately notify the Company by telegram and in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require, and the scope of cover and/or premium shall, if necessary, be adjusted accordingly.

No material alteration shall be made or admitted by the Insured whereby the risk is increased, unless the continuance of the insurance is confirmed in writing by the Company.

5. In the event of any occurrence which might give rise to a claim under this Policy, the Insured shall
  - a) immediately notify the Company by telephone or telegram as well as in writing, giving an indication as to the nature and extent of loss or damage;
  - b) take all steps within his power to minimize the extent of the loss or damage;
  - c) preserve the parts affected and make them available for inspection by a representative or surveyor of the Company;
  - d) furnish all such information and documentary evidence as the Company may require;
  - e) inform the police authorities in case of loss or damage due to theft or burglary.

The Company shall not in any case be liable for loss, damage or liability of which no notice has been received by the Company within 14 days of its occurrence.

Upon notification being given to the Company under this condition, the Insured may carry out the repairs or replacement of any minor damage; in all other cases a representative of the Company shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected. If a representative of the Company does not carry out the inspection within a period of time which could be considered adequate under the circumstances, the Insured is entitled to proceed with the repairs or replacement.

The liability of the Company under this Policy in respect of any item sustaining damage shall cease if said item is not repaired properly without delay.

6. The Insured shall at the expense of the Company do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Company in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those insured under this Policy) to which the Company are or would become entitled or which is or would be subrogated to them upon their paying for or making good any loss or damage under this Policy, whether such acts and things are or become necessary or required before or after the Insured's indemnification by the Company.
7. If any difference arises as to the amount to be paid under this Policy (liability being otherwise admitted), such difference shall be referred to the decision of an arbitrator to be appointed in writing by the parties in difference or, if they cannot agree upon a single arbitrator, to the decision of two arbitrators, one to be appointed in writing by each of the parties within one calendar month after having been required in writing so to do by either of the parties, or, in case the arbitrators do not agree, of an umpire to be appointed in writing by the arbitrators before the latter enter upon the reference. The umpire shall sit with the arbitrators and preside at their meetings. The making of an award shall be a condition precedent to any right of action against the Company.
8. If a claim is in any respect fraudulent, or if any false declaration is made or used in support thereof, or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy, or if a claim is made and rejected and no action or suit is commenced within three months after such rejection or, in the case of arbitration taking place as provided herein, within three months after the arbitrator or arbitrators or umpire have made their award, all benefit under this Policy shall be forfeited.
9. If at the time any claim arises under the Policy there is any other insurance covering the same loss, damage or liability, the Company shall not be liable to pay or contribute any amount beyond that which would have been payable under such other Insurance had this policy not been effected.
10. In the absence of a written agreement to the contrary, this Policy shall for all effects and purposes be deemed to be a Maltese Contract and shall be governed by and according to Maltese Law and subject to the exclusive jurisdiction of the Maltese Courts.
11. The Indemnity provided herein shall apply to judgements or orders that are delivered by or obtained from a court within the Maltese Islands or in arbitration in Malta under the Maltese statutory provisions.

Furthermore, the Indemnity shall not apply to a judgement or order obtained in Malta for the enforcement of a judgement or arbitration award obtained elsewhere or to costs and expenses of litigation recovered any claimant from the Insured or any other persons which costs and expenses of litigation are not incurred in the Maltese Islands.

12. This contract of Insurance shall for all effects and purposes be deemed to be a Maltese Contract and shall be governed by and according to Maltese Law and subject to the exclusive jurisdiction of the Maltese Courts.
13. In no case whatever shall the Company be liable for any loss or damage after the expiration of twelve months from the happening of the loss or damage unless the claim is subject of pending action or arbitration.
14. Cancellation

#### **Insured's Cancellation Rights**

The Insured has a statutory right to cancel the policy within 14 days from the day of purchase of the contract or the day on which the policy documentation is received, whichever is later.

If the Insured wishes to cancel, and the insurance cover has not yet started, the Insured will be entitled to a full refund of the premium paid.

Or if the insurance cover has already started, the Insured will be entitled to a refund of the premium paid, with a deduction for the time for which the Insured has been covered.

After any statutory cooling-off period the Insured will continue to have the right to cancel the policy and will be entitled to return of the premium on a pro-rata basis, provided no claim has been made or incident has arisen which is likely to give rise to a claim during the current Period of Insurance. The amount of any premium to be refunded under this condition will be reduced by all unpaid premiums or unpaid premium instalments due.

#### **Insurer's Cancellation Rights**

Argus may cancel this Policy by giving the Insured thirty (30) days' notice in writing sent to the Insured's last known address. Provided no claim has been made or incident has arisen which is likely to give rise to a claim during the current Period of Insurance the Insured may be entitled to a proportionate return of the premium in respect of the unexpired Period of Insurance. The amount of premium to be refunded under this condition will be reduced by all unpaid premiums or unpaid premium instalments due.

If the premium for the Policy is paid by instalments, please refer to the instalment agreement for details of the cancellation period that will apply.

## Section 1 - Material Damage

The Company hereby agree with the Insured that if at any time during the period of cover the items or any part thereof entered in the Schedule shall suffer any unforeseen and sudden physical loss or damage from any cause, other than those specifically excluded, in a manner necessitating repair or replacement, the Company will indemnify the Insured in respect of such loss or damage as hereinafter provided by payment in cash, replacement or repair (at their own option) up to an amount not exceeding in respect of each of the items specified in the Schedule the sum set opposite thereto and not exceeding in any one event the limit of indemnity where applicable and not exceeding in all the total sum expressed in the Schedule as insured hereby.

The Company will also reimburse the Insured for the cost of clearance of debris following upon any event giving rise to a claim under this Policy provided a separate sum therefore has been entered in the Schedule.

### Special Exclusions to Section 1

The Company shall not, however, be liable for

- a) the deductible stated in the Schedule to be borne by the Insured in any one occurrence;
- b) consequential loss of any kind or description whatsoever including penalties, losses due to delay, lack of performance, loss of contract;
- c) loss or damage due to faulty design;
- d) the cost of replacement, repair or rectification of defective material and/or workmanship, but this exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss of or damage to correctly executed items resulting from an accident due to such defective material and/or workmanship;
- e) wear and tear, corrosion, oxidation, deterioration due to lack of use and normal atmospheric conditions;
- f) loss or damage to construction plant, equipment and construction machinery due to electrical or mechanical breakdown, failure, breakage or derangement, freezing of coolant or other fluid, defective lubrication or lack of oil or coolant, but if as a consequence of such breakdown or derangement an accident occurs causing external damage, such consequential damage shall be indemnifiable;
- g) loss of or damage to vehicles licensed for general road use or waterborne vessels or aircraft;

- h) loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidences of debt, notes, securities, cheques;
- i) loss or damage discovered only at the time of taking an inventory.

## **Provisions applying to Section 1**

### **Memo 1 - Sums Insured**

It is a requirement of this insurance that the sums insured stated in the Schedule shall not be less than

for item 1: the full value of the contract works at the completion of the construction, inclusive of all materials, wages, freight, customs duties, dues, and materials or items supplied by the Principal;

for items 2 and 3: the replacement value of construction plant, equipment and machinery; which shall mean the cost of replacement of the insured items by new items of the same kind and capacity; and the Insured undertakes to increase or decrease the amounts of insurance in the event of any material fluctuation in wages or prices provided always that such increase or decrease shall take effect only after the same has been recorded in the Policy by the Company.

If, in the event of loss or damage, it is found that the sums insured are less than the amounts required to be insured, then the amount recoverable by the Insured under this Policy shall be reduced in such proportion as the sums insured bear to the amounts required to be insured. Every object and cost item is subject to this condition separately.

### **Memo 2 - Basis of loss settlement**

In the event of any loss or damage the basis of any settlement under this Policy shall be

- a) in the case of damage which can be repaired - the cost of repairs necessary to restore the items to their condition immediately before the occurrence of the damage less salvage, or
- b) in the case of a total loss - the actual value of the items immediately before the occurrence of the loss less salvage,

however, only to the extent the costs claimed had to be borne by the Insured and to the extent they are included in the sums insured and provided always that the provisions and conditions have been complied with.

The Company will make payments only after being satisfied by production of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be. All damage which can be repaired shall be repaired, but if the cost of repairing any damage equals or exceeds the value of the items immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in b) above.

The cost of any provisional repairs will be borne by the Company if such repairs constitute part of the final repairs and do not increase the total repair expenses.

The cost of any alterations, additions and/or improvements shall not be recoverable under this Policy.

### **Memo 3 - Extension of cover**

Extra charges for overtime, nightwork, work on public holidays, express freight are covered by this insurance only if previously and specially agreed upon in writing.

## **Section 2 - Third Party Liability**

The Company will indemnify the Insured up to but not exceeding the amounts specified in the Schedule against such sums which the Insured shall become legally liable to pay as damages consequent upon

- a) accidental bodily injury to or illness of third parties (whether fatal or not),
- b) accidental loss of or damage to property belonging to third parties occurring in direct connection with the construction or erection of the items insured under Section 1 and happening on or in the immediate vicinity of the site during the period of cover.

In respect of a claim for compensation to which the indemnity provided herein applies, the Company will in addition indemnify the Insured against

- a) all costs and expenses of litigation recovered by any claimant from the Insured, and
- b) all costs and expenses incurred with the written consent of the Company,

provided always that the liability of the Company under this Section shall not exceed the limits of indemnity stated in the Schedule.

### **Special exclusions to Section 2**

The Company will not indemnify the Insured in respect of

1. the deductible stated in the Schedule to be borne by the Insured in any one occurrence;
2. the expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under Section 1 of this Policy;
3. damage to any property or land or building caused by vibration or by the removal or weakening of support or injury or damage to any person or property occasioned by or resulting from any such damage (unless especially agreed upon by endorsement);



4. liability consequent upon
  - a) bodily injury to or illness of employees or workmen of the Contractor(s) or the Principal(s) or any other firm connected with the project which or part of which is insured under Section 1, or members of their families;
  - b) loss of or damage to property belonging to or held in care, custody or control of the Contractor(s), the Principal(s) or any other firm connected with the project which or part of which is insured under Section 1, or an employee or workman of one of the aforesaid;
  - c) any accident caused by vehicles licensed for general road use or by waterborne vessels or aircraft;
  - d) any agreement by the Insured to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.
5. loss or damage to property which can reasonably be foreseen to be inevitable having regard to the nature of the work to be executed for the manner of its execution.

## **Special conditions applying to Section 2**

1. No admission, offer, promise, payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company who shall be entitled, if they so desire, to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute for their own benefit in the name of the Insured any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the Insured shall give all such information and assistance as the Company may require.
2. The Company may so far as any accident is concerned pay to the Insured the limit of indemnity for any one accident (but deducting therefrom in such case any sum or sums already paid as compensation in respect thereof) or any lesser sum for which the claim or claims arising from such accident can be settled and the shall thereafter be under no further liability in respect of such accident under this Section.

## Section 3 – Principal's Advance Loss of Profits

The Company shall indemnify the Insured - named as Principal in the Schedule to Section 1 of this Policy

- in respect of loss of gross profit actually sustained due to the reduction in turnover and the increased cost of working as defined in this Section, if at any time during the period of insurance stated in the Schedule to this Section the insured contract works or any part thereof suffer loss or damage covered under Section 1 of this Policy, unless specifically excluded in this Section, thereby causing an interference in the construction work resulting in a delay of commencement of and/or interference with the insured business, hereinafter referred to as "the delay".

The amount payable as indemnity hereunder shall be:

- in respect of loss of gross profit: the sum obtained by applying the rate of gross profit to the amount by which the actual turnover during the indemnity period falls short of the turnover which would have been achieved had the delay not occurred;
- in respect of increased cost of working: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which, without such expenditure, would have taken place during the indemnity period, but not exceeding the sum obtained by applying the rate of gross profit to the amount of the reduction in turnover thereby avoided.

If the annual sum insured hereunder is less than the sum obtained by applying the rate of gross profit to the annual turnover, the amount payable shall be reduced proportionately.

### DEFINITIONS

#### **Period of insurance**

The period of insurance shall be the period stated in the Schedule to this Section, terminating on the date specified in the Schedule or on any earlier date when the CAR material damage cover of Section 1 ceases.

#### **Scheduled date of commencement of the insured business**

The date stated in the Schedule to this Section or any revised date upon which the business would have commenced had the delay not occurred.

## **Indemnity period**

The period during which the results of the business are affected in consequence of the delay, beginning on the scheduled date of commencement of the insured business and not exceeding the maximum indemnity period stated in the Schedule to this Section.

## **Time excess**

The period stated in the Schedule to this Section for which the Company are not liable. The corresponding amount shall be calculated by multiplying the average daily value of loss sustained during the indemnity period by the number of days agreed upon as time excess.

## **Turnover**

The amount of money (less discounts allowed) paid or payable to the Insured for accommodation rented or other services rendered in the course of the insured business conducted at the premises.

## **Annual turnover**

The turnover which, had the delay not occurred, would have been achieved during the 12 months after the scheduled date of commencement of the insured business.

## **Annual gross profit**

The amount by which the value of the annual turnover exceeds the amount of the specified working expenses.

Specified working expenses shall be any variable costs, e.g. costs incurred for the acquisition of goods, materials as well as for supplies and services (unless required for the upkeep of operations) and any expenditure for turnover tax, purchase tax, licence fees and royalties, etc., insofar as such costs are dependent on turnover.

## **Rate of gross profit**

The rate which, had the delay not occurred, would have been earned on the turnover during the indemnity period.

2. any loss due to fines or damages for breach of contract, for late or noncompletion of orders, or for any penalties of whatever nature;

## Special exclusions to Section 3

The Company shall not be liable for

1. loss of gross profit and/or increased cost of working due to any delay caused by or resulting from
  - 1.1. loss or damage covered under Section 1 by way of endorsement, unless it has been specifically agreed in writing;
  - 1.2. earthquake, volcanic eruption, tsunami, unless it has been specifically agreed in writing;
  - 1.3. loss of or damage to surrounding property, construction machinery, plant and equipment;
  - 1.4. loss of or damage to operating media or feedstock, shortage, destruction, deterioration of or damage to any materials necessary for the insured business;
  - 1.5. any restrictions imposed by a public authority;
  - 1.6. non-availability of funds;
  - 1.7. alterations, additions, improvements, rectification of defects or faults or elimination of any deficiencies carried out after the occurrence;
  - 1.8. loss of or damage to items taken over or taken into use by the Insured or for which cover under Section 1 to this Policy has ceased;
3. loss of business due to causes such as suspension, lapse or cancellation of a lease, licence or order, etc. which occurs after the date of actual commencement of the business;
4. loss of or damage to construction work of a prototype nature, unless specifically agreed by endorsement.

## Provisions applying to Section 3

### Memo 1 - Extension of period

Any extension of the period of insurance under Section 1 of this Policy shall not automatically lead to an extension of the period of insurance stated in the Schedule to this Section.

Any extension of the period of insurance under this Section of the Policy shall be requested in writing as early as possible by the Insured, stating the circumstances leading to the need for extension, and shall have effect for this Section only if specifically agreed upon in writing.

Any alteration of the scheduled date of commencement of the insured business shall be reported and shall have effect for this Section only if specifically agreed upon in writing.

## **Memo 2 - Basis of loss settlement**

In calculating the rate of gross profit and annual turnover, the following points shall in particular be taken into consideration:

- a) the results of the insured business for the 12-month period after commencement,
- b) variations and special circumstances which would have affected the insured business had the delay not occurred,
- c) variations and special circumstances affecting the insured business after commencement, so that the final figures represent as closely as may be reasonably practicable the results which the insured business would have obtained after the scheduled date of commencement had the delay not occurred.

## **Memo 3 - Return of premium**

If the Insured declares (certified by the Insured's auditors) that the gross profit earned during the accounting period of twelve months following the commencement of the insured business or the date on which but for the delay the business would have commenced was less than the sum insured thereon, a pro rata return of premium not exceeding one third of the premium paid shall be made in respect of the difference.

If any loss or damage has occurred giving rise to a claim under this Policy, such return shall be made in respect only of so much of said difference as is not due to such damage.

## **Special conditions applying to Section 3**

1. The Insured shall present the Company with updated progress reports at intervals stated in the Schedule to this Section.
2. In the event of any material change in the original risk such as
  - changes of the envisaged progress programme
  - alteration, modification or addition to any item of work
  - departure from prescribed construction methods
  - changes in the Insured's interest (such as discontinuation or liquidation of the business or its being placed in receivership)

taking place, the Policy shall be void unless its continuance be agreed by memorandum signed by the Company.

3. In the event of any occurrence which might cause a delay and give rise to a claim under this Section:
- a) the Insured shall immediately notify the Company by telephone or telegram and send them written confirmation thereof within forty-eight hours of the occurrence;
  - b) the Insured shall do and concur in doing and permit to be done all such things as may be EWFN reasonably practicable to minimize or establish the extent of any interference with the construction work so as to avoid or diminish any delay resulting therefrom;
  - c) the Company and every person authorized by the Company shall, without prejudice to any party insured by this Policy, have access to the construction site where such loss or damage has occurred for the purpose of direct negotiation with the responsible contractor or subcontractor in order to establish the possible cause and extent of the loss or damage, its effect on the insured interest, to examine the possibilities for minimizing any delay in the scheduled commencement of the insured business, and if necessary to make any reasonable recommendations for the avoidance or minimization of such delay.

This condition shall be evidence of the leave and licence of the Insured to the Company so to do. If the Insured or anyone acting on his behalf hinders or obstructs the Company during any of the above-mentioned acts or does not comply with such recommendations of the Company, all benefits under this Section shall be forfeited.

4. In the event of a claim made under this Section, the Insured shall at his own expense deliver to the Company not later than thirty days after the delay or within such further period as the Company may allow in writing a written statement setting forth particulars of his claim. Furthermore, the Insured shall at his own expense produce and furnish to the Company such books of account and other business books, e.g. invoices, balance sheets and other documents, proofs, information, explanations or other evidence as may reasonably be required by the Company for the purpose of investigating or verifying the claim together with - if required - a statutory declaration of the truth of the claim and of any matters connected therewith.
5. The indemnity shall be payable one month after final determination of its amount. Notwithstanding the above the Insured may, one month after the Company have been duly notified of the loss and have acknowledged their liability, claim as advance payment(s) the minimum amount(s) payable under the prevailing circumstances.

The Company shall be entitled to postpone payment

- a) if there are doubts as to the Insured's right to receive payment, until the necessary proof is furnished;

- b) if, as a result of any loss or damage or any delay in the anticipated commencement of the insured business, police or criminal investigations have been initiated against the Insured, until the completion of such investigations.

The Company shall not be liable to pay interest on indemnity moneys withheld other than interest for default.

## **ENDORSEMENTS**

The following Endorsements shall only apply if marked 'included' under the Schedule

### **ARG - CAR (END) 001 - Cover for loss or damage due to Strike, Riot and Civil Commotion**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, and subject to the Insured having paid the agreed extra premium, this Policy shall be extended to cover loss or damage due to strike, riot and civil commotion which for the purpose of this Endorsement shall mean (subject always to the special conditions hereinafter contained) loss of or damage to the property insured directly caused by

1. the act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lockout or not) not being an occurrence mentioned in item 2 of the special conditions hereof,
2. the action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbance,
3. the wilful act of any striker or locked-out worker performed in furtherance of a strike or in resistance to a lockout,
4. the action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimizing the consequences of any such act, provided that it is hereby further expressly agreed and declared that
  1. all the terms, exclusions, provisions and conditions of the Policy shall apply in all respects to the insurance granted by this extension save in so far as the same are expressly varied by the following special conditions, and any reference to loss or damage in the wording of the Policy shall be deemed to include the perils hereby insured against,
  2. the following special conditions shall apply only to the insurance granted by this extension, and the wording of the Policy shall apply in all respects to the insurance granted by the Policy as if this Endorsement had not been made thereon.

## Special conditions

1. This insurance shall not cover
  - a) loss or damage resulting from total or partial cessation of work or the retarding, interruption or cessation of any process or operation,
  - b) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority,
  - c) loss or damage occasioned by permanent or temporary dispossession of any building resulting from the unlawful occupation by any person of such building,
  - d) consequential loss or liability of any kind or description, any payments over and above the indemnity for the material damage as provided herein, provided nevertheless that the Company is not relieved under b) or c) above of any liability to the Insured in respect of physical damage to the property insured occurring before dispossession or during temporary dispossession.
2. This insurance shall not cover any loss or damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely
  - a) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war,
  - b) mutiny, civil commotion assuming the proportion of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power,
  - c) any act of any person acting on behalf of or in connection with any organization with activities directed toward the overthrow by force of the government de jure or de facto or to the influencing of it by terrorism or violence.

In any action, suit or other proceeding, where the Company alleges that by reason of the provisions of this condition any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon the Insured.

3. This insurance may at any time be terminated by the Company on notice to that effect being given by registered post at the Insured's last known address, in which case the Company shall be liable to repay a rateable proportion of the premium for the unexpired term from the date of termination.
4. The limit of indemnity any one occurrence as stated below shall be understood to limit the indemnity for all loss or damage covered by this Endorsement during a consecutive period of 168 hours.



The aggregate liability of the Company during the period of cover of this Policy shall be limited by twice the limit of indemnity any one occurrence.

## **ARG - CAR (END) 002 - Cover for cross liability**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, the third party liability cover of the Policy shall apply to the insured parties named in the Schedule as if a separate policy had been issued to each party, provided that the Company shall not indemnify the Insured under this Endorsement in respect of liability for

- loss of or damage to items insured or insurable under Section 1 of the Policy, even if not recoverable due to an excess or any limit,
- fatal or non-fatal injury or illness of employees or workmen who are or could have been insured under workmen's compensation and/or employers' liability insurance.

The Company's' total liability in respect of the insured parties shall not however exceed in the aggregate for any one accident or series of accidents arising out of one event the limit of indemnity stated in the Schedule.

## **ARG - CAR (END) 003 - Maintenance visits cover**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, this insurance shall be extended for the maintenance period specified hereunder to cover solely loss of or damage to the contract works caused by the insured contractor(s) in the course of the operations carried out for the purpose of complying with the obligations under the maintenance provisions of the contract.

## **ARG - CAR (END) 004 - Extended maintenance cover**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, this insurance shall be extended for the maintenance period specified hereunder to cover loss of or damage to the contract works

- caused by the insured contractor(s) in the course of the operations carried out for the purpose of
- complying with the obligations under the maintenance provisions of the contract,
- occurring during the maintenance period provided such loss or damage was caused on the site during the construction period before the certificate of completion for the lost or damaged section was issued.

## **ARG - CAR (END) 005 - Special conditions concerning the construction and/or erection time schedule**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the following shall apply to this insurance:

The construction and/or erection time schedule together with any other statements made in writing by the Insured for the purpose of obtaining cover under the Policy as well as technical information forwarded to the Company shall be deemed to be incorporated herein.

The Company shall not indemnify the Insured in respect of loss or damage caused by or arising out of or aggravated by deviations from the construction and/or erection time schedule exceeding the number of weeks stated below unless the Company had agreed in writing to such a deviation before the loss occurred.

## **ARG - CAR (END) 006 - Cover of extra charges for overtime, night work, work on public holidays, express freight**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, this insurance shall be extended to cover extra charges for overtime, night work, work on public holidays and express freight (excluding airfreight).

Provided always that such extra charges shall be incurred in connection with any loss of or damage to the insured items recoverable under the Policy.

If the sum(s) insured of the damaged item(s) is (are) less than the amount(s) required to be insured, the amount payable under this Endorsement for such extra charges shall be reduced in the same proportion.

## **ARG - CAR (END) 007 - Cover of extra charges for airfreight**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, this insurance shall be extended to cover extra charges for airfreight.

Provided always that such extra charges shall be incurred in connection with any loss of or damage to the insured items recoverable under the Policy.

Provided further that the maximum amount payable under this Endorsement in respect of airfreight shall not exceed the amount stated below during the period of insurance.

## **ARG - CAR (END) 008 - Property in off-site storage**

It is agreed and understood that, notwithstanding the terms, exclusions, provisions and conditions of the Policy or any Endorsements agreed upon and subject to the Insured having paid the agreed extra premium, Section 1 of the Policy shall be extended to cover loss of or damage to property insured (except property being manufactured, processed or stored at the manufacturer's, distributor's or supplier's premises) in off-site storage within the territorial limits as stated below.

The Company shall not indemnify the Insured for loss or damage caused by the failure to take generally accepted loss prevention measures for warehouses or storage units. Such measures shall include, in particular:

- ensuring that the storage area is enclosed (either a building or at least fenced in), guarded, protected against fire, as appropriate for the particular location or type of property stored;
- separating the storage units by fire-proof walls or by a distance of at least 50 metres;
- positioning and designing the storage units in such a way as to prevent damage by accumulating water or flooding due to rainfall or by a flood with a statistical return period of less than 20 years;
- limiting the value per storage unit.

## **ARG - CAR (END) 009 - Cover for testing of machinery and installations**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the period of cover shall be extended to include a test operation or a test loading but not beyond four weeks from the date of commencement of the test.

If, however, a part of a plant or one (or several) machine(s) is (are) tested and/or put into operation or taken over, the cover for that particular part of the plant or machine(s) and any liability resulting therefrom shall cease whereas the cover shall continue for the remaining parts to which the above does not apply.

It is further agreed and understood that for the machinery and installations undergoing a test, exclusions c and d of the Exclusions to Section 1 of the Policy shall be deleted and the following exclusion shall apply:

"loss or damage due to faulty design, defective material or casting, bad workmanship other than faults in erection:"

In the case of second-hand items, the insurance hereunder shall, however, cease immediately on the commencement of the test.

## **ARG - CAR (END) 010 - Special conditions concerning underground cables, pipes and other facilities**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Company shall only indemnify the Insured in respect of loss of or damage to existing underground cables and/or pipes or other underground facilities if, prior to the commencement of works, the Insured has inquired with the relevant authorities about the exact position of such cables, pipes or other underground facilities and takes all necessary steps to avoid damage to same.

Claims in respect of loss of or damage to such underground facilities which are in the same position as shown on the underground maps (drawings indicating the position of the underground facilities) shall be payable after applying a deductible of 20% of the loss amount or the deductible stated below, whichever is the greater.

Claims in respect of loss of or damage to underground facilities incorrectly shown on the underground map shall be payable after applying the deductible of 20% of the loss amount or the deductible stated below, whichever is the greater.

The indemnity shall in any case be restricted to the repair costs of such cables, pipes or other underground facilities, any consequential damage and penalties being excluded from the cover. Deductible: € 1,500 Each and every loss).

## **ARG - CAR (END) 011 - Exclusion of loss of or damage to crops, forests and cultures**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Company shall not indemnify the Insured for loss, damage or liability directly or indirectly caused to crops, forests and/or any cultures during the execution of the contract works.

## **ARG - CAR (END) 012 - Warranty concerning sections**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Company shall only indemnify the Insured for loss, damage or liability directly or indirectly caused to or by embankments, cuttings and benchings, ditches, canals or road works if these embankments, cuttings and benchings, ditches, canals or road works are constructed in sections not exceeding in total the length stated below, irrespective of the state of completion of the insured works, and the indemnification for any one loss event shall be limited to the cost of repair of such sections.

## **ARG - CAR (END) 013 - Warranty concerning camps and stores**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Company shall only indemnify the Insured for loss, damage or liability directly or indirectly caused to camps and stores by fire, flood or inundation if these camps and stores are located above the highest water level recorded anywhere on the site during the last 20 years and the individual storage units are either at least 50 m apart or separated by fire walls.

It is also agreed that the Company shall indemnify the Insured for any one occurrence only up to a limit of indemnity of € 2,500 for camps, € 5,000 for each individual storage unit.

## **ARG - CAR (END) 014 - Special conditions concerning safety measures with respect to precipitation, flood and inundation**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Company shall only indemnify the Insured for loss, damage or liability caused directly or indirectly by precipitation, flood or inundation if adequate safety measures have been taken in designing and executing the project involved.

For the purposes of this Endorsement adequate safety measures shall mean that, at all times throughout the policy period, allowance is made for precipitation, flood and inundation up to a return period of 20 years for the location insured on the basis of the statistics prepared by the meteorological agencies.

Loss, damage or liability resulting from the Insured's not immediately removing obstructions (e.g. sand, trees) from watercourses within the construction site, whether carrying water or not, in order to maintain free waterflow shall not be indemnifiable.

## **ARG - CAR (END) 015 - Inland transit**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the insured having paid the agreed extra premium, Section 1 of this insurance shall be extended to cover loss of or damage to the insured property whilst in transit to the contract site other than on waterways or by air within the territorial limits of provided that the maximum amount payable under this Endorsement does not exceed per conveyance.

## **ARG - CAR (END) 016 - Serial losses**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the following clause shall apply to this insurance:

Loss or damage due to faulty design (if covered by endorsement), defective material and/or workmanship arising out of the same cause to structures, parts of structures, machines or equipment of the same type shall be indemnified according to the following scale after applying the policy deductible for each loss:

- 100% of the first 2 losses
- 80% of the 3rd loss
- 60% of the 4th loss
- 50% of the 5th loss

Further losses shall not be indemnified

#### **ARG - CAR (END) 017 - Cover for designer's risk**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, exclusion c) under special exclusions to Section 1 of the Policy shall be deleted and exclusion d replaced by the following wording:

"d) The cost of replacement, repair or rectification of loss of or damage to items due to defective material and/or workmanship and/or faulty design, but this exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss of or damage to correctly executed items resulting from an accident due to such defective material and/or workmanship and/or faulty design."

#### **ARG - CAR (END) 018 - Cover for insured contract works taken over or put into service**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, the insurance shall be extended to cover

- loss of or damage to parts of the insured contract works taken over or put into service if such loss or damage emanates from the construction of the items insured under Section 1 and happens during the period of cover.

#### **ARG - CAR (END) 019 - Special conditions for laying water supply and sewer pipes**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Company shall indemnify the Insured for any loss, damage or liability due to the flooding or silting of pipes, trenches or shafts only up to the maximum length of open trench stated below, partially or completely excavated, for any one loss event.

The Company shall be liable only if

1. the pipes, immediately after laying, have been secured in such a manner by backfilling that they cannot be displaced if the trench is flooded;
2. the pipes, immediately after laying, have been closed to prevent water, silt or the like from penetrating;
3. the trenches of tested pipe sections have been backfilled immediately upon completion of the pressure test.

### **ARG - CAR (END) O20 - Existing property or property belonging to or held in care, custody or control by the Insured**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, Section 1 of this Policy shall be extended to cover loss of or damage to the existing property or property belonging to or held in care, custody or control by the Insured caused by or arising out of the construction or erection of the items insured under Section 1.

The Company shall only indemnify the Insured for loss of or damage to the insured property provided that prior to the commencement of construction its condition is sound and the necessary safety measures have been taken.

In respect of loss or damage caused by vibration or by the removal or weakening of support the Company shall only indemnify the Insured for loss or damage as a result of a total or partial collapse of the insured property, and not for superficial damage which neither impairs the stability of the insured property nor endangers its users.

The Company shall not indemnify the Insured for

- loss or damage which is foreseeable having regard to the nature of the construction work or the manner of its execution,
- the costs of loss prevention or minimization measures which become necessary during the period of insurance.

### **ARG - CAR (END) O21 - Vibration, removal or weakening of support**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, Section 2 of this insurance shall be extended to cover liability consequent upon loss or damage caused by vibration or by the removal or weakening of support.

Provided always that

the Company indemnifies the Insured in respect of liability for loss or damage to any property or land or building only if such loss or damage results in the total or partial collapse,

- the Company indemnifies the Insured in respect of liability for loss or damage to any property or land or building only if prior to the commencement of construction its condition is sound and the necessary loss prevention measures have been taken,
- if required, the Insured, before commencement of construction and at his own expense, prepares a report on the condition of any endangered property or land or building.

The Company shall not indemnify the Insured in respect of liability for

- loss or damage which is foreseeable having regard to the nature of the construction work or the manner of its execution,
- superficial damage which neither impairs the stability of the property, land or buildings nor endangers their users,
- the costs of loss prevention or minimization measures which become necessary during the period of insurance.

### **ARG - CAR (END) 022 - Special conditions concerning piling foundation and retaining wall works**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Company shall not indemnify the Insured in respect of expenses incurred

1. for replacing or rectifying piles or retaining wall elements
  - a) which have become misplaced or misaligned or jammed during their construction,
  - b) which are lost or abandoned or damaged during driving or extraction, or
  - c) which have become obstructed by jammed or damaged piling equipment or casings,
2. for rectifying disconnected or declutched sheet piles,
3. for rectifying any leakage or infiltration of material of any kind,



4. for filling voids or for replacing lost bentonite,
5. as a result of any piles or foundation elements having failed to pass a load bearing test or otherwise not having reached their designed load bearing capacity,
6. for reinstating profiles or dimensions.

This endorsement shall not apply to loss or damage caused by natural hazards. The burden of proving that such loss or damage is covered shall be upon the Insured.

#### **ARG - CAR (END) 023 - Water Damage Exclusion**

It is hereby declared and agreed that the Company shall not be liable for any loss or damage caused by water to any property situated below the contract site.

#### **ARG - CAR (END) 024 - Exclusion to Adjoining Property**

It is hereby noted and agreed that the Company shall not be liable in respect of loss or damage to any adjoining property which prior to the time of commencement of the works the said property has preexisting damage as certified by an architect or qualified engineer.

#### **ARG - CAR (END) 025 - Lifting Appliance and Tower Cranes**

It is hereby noted and agreed that all Lifting Appliances and Tower Cranes shall;

- (1) be certified annually by a mechanical engineer having a warrant to practice his profession and approved by the Company, the certificate giving due regard to;
  - the maximum safe working load;
  - safe working loads at different radii if applicable;
  - the conditions of use under which the maximum or variable safe working load can be lifted or lowered
- (2) be clearly marked at a conspicuous place with the maximum safe working load;
- (3) be fitted with a load radius indicator and an automatic safe load indicator or other effective mean to indicate clearly to the driver each maximum safe working load and the conditions under which it is applicable;
- (4) be adequately and securely supported; the weight - bearing characteristics of the ground on which the lifting appliances are to operate shall be surveyed in advance of use by Company approved Architect and account should be taken of seasonal variations in ground conditions;

- (5) to be erected by competent persons, if applicable;
- (6) be examined by a Company approved mechanical engineer;
  - before erection on site;
  - one week, after erection on site;
  - after any substantial alteration or repair.
- (7) be equipped with devices that prevent the load from over-running and from moving if the power fails;
- (8) be operated by workers who;
  - are over 21 years of age;
  - have been medically examined and certified fit to operate a lifting appliance and/or tower crane;
  - have received appropriate and adequate training which shall be repeated periodically.
- (9) not to be loaded beyond its safe working load or loads;
- (10) be removed of their loads and their telescopic jibs drawn and brought to a horizontal position whenever unattended;
- (11) be operated on gradients within limits specified by the manufacturers and should only be erected at a safe distance from excavations and ditches;
- (12) be sited where there is clear space available for erection, operation and dismantling.
- (13) as far as practicable, be sited so that loads do not have to be handled over occupied premises, over public thoroughfares, other construction works or near power cables.

## **ARG - CAR (END) O26 - Health and Safety Warranty**

It is hereby warranted that the Insured shall make every effort to ensure that employees shall at all times wear any safety equipment/clothing and follow all the necessary safety procedures as may be required or recommended following any health and safety assessments carried out in respect of each contract undertaken by the Insured.

## **ARG - CAR (END) 027 - Working at Heights Warranty**

Cover applies in respect of abseiling and working at heights for the purpose of training or during normal work subject to the following:

- Safety harnesses to be worn at all times.
- Employees are always secured with two point contact when abseiling.
- Safety helmets are worn at all times.
- All ropes and equipment to be checked prior to use. In addition equipment is to be routinely checked and logged on a quarterly basis.
- Safety equipment must be in accordance to EU Standards.

## **ARG - CAR (END) 028 - Special conditions concerning fire-fighting facilities**

It is agreed and understood that The Company shall only indemnify the Insured for loss or damage resulting directly or indirectly from fire and/or explosion if the following requirements are fulfilled:

1. Adequate fire-fighting equipment and extinguishing agents of sufficient capacity must always be available at the site and ready for immediate use.
2. A sufficient number of workmen must be fully trained in the use of such equipment and must be available for immediate intervention at all times.
3. Waste material is removed regularly. All floors undergoing fit-out are cleared of combustible waste at the end of each working day.
4. All flammable material and especially all flammable liquids and gases shall be stored at a sufficiently large distance from the property under construction or erection and any hot work.
5. Welding, soldering or the use of an open flame in the vicinity of combustible materials is only permitted if at least one workman suitably equipped with extinguishers and well trained in firefighting is present. Furthermore places where hot works took place would need to be observed at least up to 2 hours after finishing works.
6. At the beginning of testing all fire-fighting facilities designed for the operation of the plant shall be installed and serviceable.
7. The site is fenced off and access controlled at all times.

## **ARG - CAR (END) 029 - Liability towards Archaeological sites and ancient remains**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the insurance shall not indemnify the Insured against loss, damage or liability in respect of any liability towards Archaeological sites and ancient remains

## **ARG - CAR (END) 030 - Automatic Reinstatement of Sum Insured**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Company shall automatically reinstate the sum insured or limit following a loss subject to pro-rata additional premium.

## **ARG - CAR (END) 031 - Use of Tower Cranes**

It is a condition precedent to the Company's liability that any tower crane/s erected on site shall not be put into operation prior to having their bases certified by an architect and the tower crane/s having been certified by a competent mechanical engineer.

## **ARG - CAR (END) 032 - Execution of Works**

It is a condition precedent to the Company's liability that the insured shall execute all works in accordance with the Method of Works Statement prepared by the architect responsible for the site and forwarded to the Company.

## **ARG - CAR (END) 033 - Extensions of Cover**

It is a condition precedent to the Company's liability that any extension of the construction/erection period the Insured shall provide the Company a 30 day prior written notification of such extension and obtain a written approval of the Company to the same. In such event, the additional premium charged will be calculated on a pro-rata basis if the loss ratio is below 50%, otherwise additional premium to be agreed by Company.

## **ARG - CAR (END) 034 - 72 Hours Clause**

In the event of any accidental physical loss of or accidental physical damage to the property insured (whether in the course of being repaired or not) caused by or due to storm, tempest, hurricane, cyclone, water damage, flood, earthquake, tsunami, or volcanic activity during the Construction Period, an indemnifiable under Section 1, and occurring during any none period of 72 consecutive hours, it is agreed that such loss or damage is deemed to be one occurrence and, moreover, that the commencement of any such 72 consecutive hours period may be decided by the Insured, provided that no overlapping occurs in any two or more such periods.

## **ARG - CAR (END) 035 - Dewatering Exclusion**

Notwithstanding anything to the contrary contained in this Policy, the Company will not indemnify the Insured in respect of:

expenses incurred for dewatering even if the quantities of water originally expected are exceeded substantially loss or damage due to breakdown of the dewatering system if such breakdown could have been avoided by sufficient standby facilities expenses incurred for additional installations and facilities for the discharge of run-off and/or underground water.

## **ARG - CAR (END) 036 - Third Party Consequential Losses**

Notwithstanding anything to the contrary contained in this Policy and subject to the Insured having paid or agreed to pay the extra premium, the indemnity provided under Section 2 Public Liability includes indemnity in relation to liability incurred by the Insured in respect of loss of use or consequential losses following third party accidental loss or damage to material property up to a maximum limit of € 750,000 of the Public Liability limit insured by this policy.

The Company's total liability shall not exceed the Limit of Indemnity stated in the Schedule.

## **ARG - CAR (END) 037 - Exclusion in relation to Use of Explosives**

It is hereby agreed that this policy excludes cover in relation to the use of explosives at the contract site.

## **ARG - CAR (END) 038 - Premium Adjustment Condition**

It is agreed and understood that the Total Premium noted in the Schedule attaching to and forming part of this Policy is a Minimum and Deposit Premium and has been calculated on a Total Estimated Annual Value of Contracts.

This Minimum and Deposit Premium shall be adjusted at the end of the Period of Insurance on the Actual Annual Value of Contracts on the Adjustable Rate.

## **ARG - CAR(END) 039 - Remedial Changes Exclusion**

It is hereby declared and agreed that the Company shall not be liable for remedial works to any property and or structure that become necessary on site.

## **ARG - CAR(END) 040 - Single Contract Premium Adjustment**

It is hereby noted and agreed that the premium for this Policy is provisional only. Within 15 days of the expiration of the Period of Insurance the Insured shall furnish to the Company a declaration of the Final Contract Value, and if such value shall exceed the estimated Contract Value an appropriate Additional Premium shall be paid by the Insured in respect of the difference.

## **ARG - CAR(END) 041 - Annual Contract Premium Adjustment**

It is hereby noted and agreed that the premium for this Policy is provisional only. Within 15 days of the expiration of the Period of Insurance the Insured shall furnish to the Company a declaration of the Total Contract Value of all contracts covered under this Policy, and if such value shall exceed the estimated Annual Contract Value an appropriate Additional Premium shall be paid by the Insured in respect of the difference.

## **ARG - CAR(END) 042 - Excluding loss or damage to wells, reservoirs, swimming pools etc.**

It is hereby declared and agreed that the Company shall not be liable for any loss or damage to wells, reservoirs, swimming pools etc.

## **COMPLAINTS PROCEDURE**

Our aim is at all times to provide a first class standard of service. However, there may be occasions when you feel that this objective has not been achieved. Should you have any query or complaint regarding this insurance please write to the Complaints Officer at Argus Insurance Company (Europe) Limited, Trident Park, 8B Level 5, Notabile Gardens, Mdina Road, Central Business District Zone 2, Birkirkara CBD 2010. Email: [claims@argus.mt](mailto:claims@argus.mt) Tel: +356 2342 200. If you are dissatisfied with the response you receive you should write to the Office of the Arbiter for Financial Services, N/S in Regional Road, Msida MSD 1920, Malta. Freephone: 80 072 366 Telephone: (+356) 21 249 245 Email on: [complaint.info@financialarbiter.org.mt](mailto:complaint.info@financialarbiter.org.mt)



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