

OnSite™

Annual Declaration
contract works policy

ENO32



Every Lumley product comes with expert advice and service. This policy document is backed by our Construction and Engineering team. With their combined knowledge and experience, they are an invaluable technical resource for you.

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Introduction

Welcome to the OnSite™ Annual Declaration Contract Works Policy. This wording sets out the terms, conditions and exclusions subject to which cover is provided for *Contract Works*.

Please read this *Policy* carefully to ensure that the insurance cover is appropriate for *You*. Words *Capitalised* and in *Italics* have had their meaning defined. These meanings can be found in the Definitions Section or within the wording of this *Policy*. Headings in this *Policy* are a guide only and are not to be used for interpretation.

Insurance Contract

In consideration of the premium paid by *You* to *Us*, *We* agree to indemnify *You* as outlined in this *Policy*.

Your insurance contract consists of three parts, this pre-printed document, the *Policy Schedule* and the information provided by *You* in support of *Your* application, including that provided on the proposal.

The cover provided by this *Policy* only attaches to *Contract Works* being undertaken pursuant to an *Insured Contract*. If, at any time during its duration, a *Contract* ceases to be an *Insured Contract*, this *Policy* will not respond to any claim made in respect of such *Contract*.

Where on the *Policy Schedule* there is no amount shown for a particular item of cover, or "0" or "Nil" is shown, there will be no cover unless specifically endorsed onto the *Policy Schedule* or *Policy*.

Disclosure of Material Information

In addition to any other disclosure obligations under this *Policy*, *You* have a duty to advise *Us* of all material information prior to inception, variation and renewal of this *Policy*. Material information is information that might influence a prudent insurer's decision to insure *You* and, if so, on what terms and/or premium.

Failure to disclose all material information may entitle *Us* to avoid *Your Policy*. This means it will be as though the *Policy* never existed and any claims made will not be payable. If *You* are unsure whether to disclose certain information, please tell *Us*.

Operative Clause – What We cover

We will indemnify *You* for *Damage* to *Contract Works* undertaken pursuant to an *Insured Contract*, which occurs during the applicable *Construction Cover Period*, subject always to the terms, conditions and exclusions of this *Policy*.

Basis of Settlement – What We pay

In the event of *Damage to Contract Works* insured under this *Policy*, the basis of any settlement will be either:

- a) For *Damage* which can be repaired – the cost of repairs to the *Contract Works* necessary to restore the *Contract Works* to its condition immediately prior to the *Damage* occurring, less any salvage; or
- b) For a *Total Loss* – the *Actual Value* of the *Contract Works* immediately prior to the *Damage* occurring, less any salvage,

provided that:

- a) all *Damage* which can be repaired is repaired, save for *Damage* which is a *Total Loss*; and
- b) the *Contract Works* is repaired or replaced using materials comparable to those originally used for the *Contract Works* and which are available at the time of *Damage* occurring; and
- c) *Our* liability will only attach upon receipt of the invoices and documents which confirm, to *Our* satisfaction, that the repairs have been effected or reinstatement has taken place; and
- d) *We* will only be liable to indemnify *You* for provisional repairs if such repairs constitute part of the final repairs and do not increase *Our* total liability should the provisional repairs not have been necessary.

Subject to the Automatic Benefits of this *Policy*, in no circumstances will *We* be liable to indemnify *You* under this *Policy* for any amount which:

- a) was incurred by *You* following the initial commencement of the *Damage* occurring; or
- b) is in excess of the *Total Sum Insured* for any one event at any one *Contract Site*; or
- c) in *Our* opinion constitutes an alteration and/or addition and/or improvement to the *Contract Works* compared to how they were immediately prior to the *Damage* occurring; or
- d) is the applicable *Excess*; or
- e) is in respect of *Damage* which did not occur on a *Contract Site*.



Automatic Benefits

Subject always to *Total Sum Insured* and the terms, conditions and exclusions of this *Policy*:

Demolition / Removal of Debris

1. If *Contract Works* suffer *Damage* covered under this *Policy*, *We* will pay the cost of:

- a) the demolition and removal of *Damaged* and/or undamaged *Contract Works* from the *Contract Site*; and/or
- b) the shoring or propping up of undamaged *Contract Works*,

provided this is required to enable the *Contract Works* to be repaired or replaced.

The maximum amount *We* will indemnify *You* for under this clause is 5% of the *Insured Contract Value* unless stated otherwise in the *Policy Schedule*.

Escalation of Costs during Reconstruction

2. If *Contract Works* suffer *Damage* covered under this *Policy*, *We* will pay the increase in the costs of construction from the initial costs of construction incurred prior to the *Damage* to those which are incurred in the repair or reinstatement of the *Contract Works*, provided that repair or reinstatement is completed without delay.

The maximum amount *We* will indemnify *You* for under this clause is 5% of the *Insured Contract Value* unless stated otherwise in the *Policy Schedule*.

Expediting Expenses

3. If *Contract Works* suffer *Damage* covered under this *Policy*, *We* will pay the cost of express delivery of replacement materials within New Zealand, overtime wage payments and the cost of other measures reasonably required to repair or reinstate the *Contract Works*.

This includes domestic airfreight within New Zealand by licensed operators on a regular scheduled service. The cost of chartered services is not covered unless *You* obtain *Our* prior agreement.

The maximum amount *We* will indemnify *You* for under this clause is 2.5% of the *Insured Contract Value* unless stated otherwise in the *Policy Schedule*.

Increase in Costs during Construction

4. If *Contract Works* suffer *Damage* covered under this *Policy*, *We* will pay:

- a) any increase in the costs of construction; and/or
- b) the cost of variations in the *Contract Works* which have been agreed to by both the Principal and the *Contractor*,

which were incurred by *You* prior to the *Damage* to the *Contract Works* occurring, provided that such payment is required to ensure that the *Contract Works* is repaired or rebuilt to the same or similar standard as at immediately before the *Damage*.

The maximum amount *We* will indemnify *You* for under this clause is 5% of the *Insured Contract Value* unless stated otherwise in the *Policy Schedule*.



Offsite Storage

5. We will pay the cost of repair or replacement of materials *Damaged* whilst in storage in New Zealand not at a *Contract Site* provided that the materials:
 - a) belong to *You*;
 - b) are solely designated for incorporation into *Contract Works*; and
 - c) were in storage for no longer than 120 days in duration before the *Damage* occurred.

The maximum amount *We* will indemnify *You* for under this clause is \$250,000 for any one location.

Overseas Airfreight

6. If *Contract Works* suffer *Damage* covered under this *Policy*, *We* will pay the cost of overseas airfreight of replacement materials by licensed operators on a regular scheduled service provided this is required to repair or reinstate the *Contract Works*. The cost of chartered services is not covered unless *You* obtain *Our* prior agreement.

The maximum amount *We* will indemnify *You* for under this clause is 2.5% of the *Insured Contract Value* unless stated otherwise in the *Policy Schedule*.

Plans / Drawings

7. *We* will pay the cost of replacing *Damaged* plans and drawings which are already in existence provided these are required for construction under the original *Contract*.

The maximum amount *We* will indemnify *You* for under this clause is \$10,000 in total per *Insured Contract*.

Professional Fees

8. If *Contract Works* suffer *Damage* covered under this *Policy*, *We* will pay architects', surveyors' or consulting engineers', clerk of works' or other professional consultants' fees incurred by *You* which are necessary to effect the repair or reinstatement of the *Contract Works*.

In no circumstances does this *Policy* provide cover for fees or expenses incurred by *You* in preparing a claim.

The maximum amount *We* will indemnify *You* for under this clause is 5% of the *Insured Contract Value* unless stated otherwise in the *Policy Schedule*.



Runoff Cover

9. All *Contract Works* commencing pursuant to an *Insured Contract* during the *Period of Insurance* will be covered under this *Policy* until the end of the *Construction Cover Period* provided that:
- a) at all times the *Contract* remains an *Insured Contract*; and
 - b) if this *Policy* lapses or is not renewed by *You*, *You* provide *Us* with a declaration of the value of the outstanding *Contract Works* as at the date of lapse/non-renewal and pay any additional premium *We* may require which will reflect the outstanding *Contract Works*.

Transit of Materials

10. *We* will pay the cost of repair or replacement of materials *Damaged* whilst in transit, including loading and unloading, provided that:
- a) the transit is by Air, Sea, Road or Rail within New Zealand territorial limits; and
 - b) the materials belong to *You*; and
 - c) the materials are solely designated for incorporation into *Contract Works*.

The maximum amount *We* will indemnify *You* for under this clause is \$250,000 per conveyance unless stated otherwise in the *Policy Schedule*.

Optional Extensions (only applicable if shown in the *Policy Schedule*)

Subject always to the *Total Sum Insured* and the terms, conditions and exclusions of this *Policy*, if *Your* cover under this *Policy* includes the applicable Optional Extension as shown in the *Policy Schedule*:

Maintenance or Defects Liability Cover

1. We will indemnify the *Contractor* for all amounts the *Contractor* is legally liable to pay as direct compensation for *Damage* not otherwise excluded by the *Policy*, if the *Damage* was first discovered during the *Period of Defects Liability* and was either:
 - a) caused by the *Contractor* during the *Construction Cover Period* for an *Insured Contract*; or
 - b) caused by the *Contractor* during the course of the *Contractor* carrying out any repair work to the *Contract Works* during the *Period of Defects Liability*.

Natural Hazards

2. We will pay the cost of the repair or reinstatement of the *Contract Works* if the *Damage* was directly caused by a *Natural Hazard*.

The maximum amount We will indemnify *You* for under this clause will be the *Total Sum Insured* per *Contract Site*.

Post Loss Land Improvements

3. We will pay the cost of reinstatement of land if it is *Damaged* (other than by fire) during the *Construction Cover Period* for an *Insured Contract* provided that the land:
 - a) belongs to *You*; and
 - b) is part of a *Contract Site*; and
 - c) is not otherwise excluded by this *Policy*.

The maximum amount We will indemnify *You* for under this clause is \$25,000 in total per *Insured Contract*.

Conditions

Alteration of Risk

1. You must immediately notify Us in writing, if at any time during the *Construction Cover Period* for an *Insured Contract* there is any material change to the *Insured Contract*, the *Contract Works* and/or the *Contract Site* ("*Material Alteration*").

Upon Our receipt of any *Material Alteration* notification, at Our sole discretion, We may:

- a) discontinue cover for the relevant *Contract Works/ Insured Contract* under this *Policy*; and/or
- b) (including retrospectively to the date of *Material Alteration*) amend the terms, conditions and/or exclusions of this *Policy*, including by way of special provisions or endorsement for the relevant *Insured Contract*, and charge an additional premium.

At Your own expense You must take all reasonable precautions to prevent *Damage* to the *Contract Works* as a result of a *Material Alteration*. If, prior to Our receipt of a *Material Alteration* notification, *Damage* occurs to the *Contract Works* as a result of, or in connection with, such *Material Alteration*, at Our sole discretion, We may:

- a) decline any claim made under this *Policy* for such *Damage*; and/or
- b) discontinue cover for the relevant *Contract Works/ Insured Contract* under this *Policy*; and/or
- c) (including retrospectively to the date of *Material Alteration*) amend the terms, conditions and/or exclusions of this *Policy*, including by way of special provisions for the relevant *Insured Contract*, and charge an additional premium.

Assignment

2. You must not assign this *Policy* or Your interest in this *Policy* to any other person or entity without Our prior agreement in writing.

Contract ceasing to be an Insured Contract

3. You must immediately notify Us in writing if there is any alteration or modification to any *Contract* which results in the *Contract* ceasing to be an *Insured Contract*.

At Our sole discretion, and subject to any special terms and/or premium We may require, We may agree to provide cover under this *Policy* for a *Contract* which is not an *Insured Contract*. For the purposes of this clause such *Contract* will be deemed an *Insured Contract* for the duration of such cover. However, unless expressly endorsed onto this *Policy* there is no cover under this *Policy* for any *Contract* which is not an *Insured Contract*.

Fraud and Misstatements

4. If any claim:
 - a) is fraudulent in any respect; or
 - b) is supported by any incorrect or incomplete statements made by You, or someone on Your behalf,

We will not pay Your claim and all benefits under this *Policy* will be immediately forfeited.

GST

5. All monetary amounts described in this *Policy*, including the *Total Sum Insured*, are exclusive of Goods and Services Tax ("GST"). Provided any GST is recoverable by Us, in the event of a claim We will pay the current prescribed rate of GST in addition to the *Total Sum Insured* noted against each item in the *Policy Schedule*.

Hot Work

6. When any hot work is being carried out on any *Contract Works*, You must ensure that:
 - a) All combustible material is removed from the area where the hot work is to be carried out;
 - b) The person(s) undertaking the hot work is suitably qualified to do so; and
 - c) The area of any hot work is examined one hour after the work is finished.

Inspection

7. We are entitled to inspect any *Contract Works* and/or *Contract Site* at any time subject to Us providing You with reasonable notice of such inspection.

If required by Us, You must provide Us with any reasonable information relating to the *Contract Works* including the *Contract*.

Jurisdiction Clause

8. This *Policy*, including all disputes arising out of or under it, is governed exclusively by the laws of New Zealand.

Misdescription

9. This *Policy* is based on the correct and complete descriptions You have provided, including:
- a) the type of *Contracts* entered into by You, including the usual period of *Construction* and maximum value for any one *Contract*; and
 - b) Your annual turnover figure, being the annual accumulated value of all *Insured Contracts* which is to include the value of any *Principal Supplied Materials*.

We will not indemnify You for any claim relating to any risk arising out of any misdescription or misrepresentation and may avoid Your *Policy*.

Observance of Conditions

10. The due observance and fulfilment of the terms of this *Policy* insofar as they relate to anything to be done or complied with by You, and the correctness of the statements and answers in the quote, submission and proposal made by You, are a condition precedent to Our liability under this *Policy*.

Other Insurance

11. If, at the time of any claim arising under this *Policy*, You have any other valid and collectable insurance covering all or part of the same *Damage*, this *Policy* will apply only to the amount of any *Damage* in excess of that recoverable under the other insurance.

Precautions

12. You will at Your own expense take all reasonable precautions and comply with all of Our reasonable requirements to prevent loss, damage or liability and comply with statutory requirements and manufacturers' recommendations.

Premium Payment

13. All premiums, including appropriate levies and GST, must be paid to Us within 120 days of inception. If after 120 days the premium has not been paid to Us then this *Policy* will be avoided from inception.

Following 90 days of non-payment of premium We agree to provide You with 30 days' written notification of Our intention to avoid this *Policy*.

Reinstatement of Sum Insured

14. When We indemnify You for any claim under this *Policy*, We agree to reinstate cover for the applicable *Insured Contract* by the value of the claim paid, provided that You pay any additional premium for such reinstatement.

Subrogation

15. You must at Our expense do and concur in doing and permit to be done all such acts and things as may be necessary or required by Us 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 We become, or would become, entitled or subrogated upon paying for or making good any *Damage* under this *Policy*, whether such acts and things are or become necessary or required before or after Your indemnification by Us.

Exclusions – What *We* do not cover

Cessation of Work

1. *We* will not indemnify *You* for *Damage*, liability, cost or expense:
 - a) directly or indirectly caused by cessation of work at a *Contract Site* for any reason other than the normal performance of the *Insured Contract*; or
 - b) directly or indirectly caused by or in any way connected with cessation of work, whether total or partial, which exceeds 90 days in duration.

Contractor's Plant, Machinery and Tools

2. *We* will not indemnify *You* for any *Damage* to *Your* plant, machinery and/or tools or any of *Your* employee's hand tools and/or personal effects.

Consequential Loss

3. There is no cover under this *Policy*, whatever the cause, for any consequential loss, loss of use, loss due to delay, loss due to non-compliance with any *Contract*, loss of *Contract*, lack of performance, penalties, fines, liquidated damages or aggravated, punitive or exemplary damages.

Recklessness

4. There is no cover under this *Policy* for *Damage*, liability, cost or expense of any nature directly or indirectly caused by or in any way connected with a reckless act or failure to act by *You* or *Your* agents or representatives.

Electronic Data

5. Notwithstanding any provision to the contrary contained within this *Policy* or any endorsement attached thereto, there is no cover under this *Policy* for any *Damage* or liability directly or indirectly caused by or in any way connected to:
 - a) the total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of *Electronic Data*; and/or
 - b) the error in creating, amending, entering, deleting or using *Electronic Data*; and/or
 - c) the total or partial inability or failure to receive, send, access or use *Electronic Data* for any time or at all.

Existing Structures

6. *We* will not indemnify *You* for *Damage*, howsoever caused, to any *Existing Structures* unless, at *Our* sole discretion, *We* agree in writing to a special endorsement to the *Policy* for a specific *Insured Contract*.

General

7. There is no cover under this *Policy* for *Damage*, liability, cost or expense of any 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 the perils excluded in any of the exclusions in this *Policy*.



Governmental Actions

8. There is no cover under this *Policy* for any *Damage* or liability directly or indirectly caused by or in any way connected with confiscation, nationalisation or requisition by the order of the government or local authority. However, *We* will pay for *Damage* as a result of such an order if it is to prevent *Damage* which would otherwise have been covered under this *Policy*.

Gradual Damage

9. There is no cover under this *Policy* for *Damage* or liability directly or indirectly caused by or in any way connected with corrosion, rust, rot, mould, mildew, fungi, deterioration due to lack of use, aesthetic defects, scratching, atmospheric conditions, the action of light or any other gradually operating cause or gradual deterioration.

Inventory Shortages

10. *We* will not indemnify *You* for loss which is only discovered at the time of taking an inventory or periodic stocktaking.

Mechanical Failure

11. *We* will not indemnify *You* for mechanical and/or electrical breakdown *Damage* or mechanical and/or electrical derangement *Damage*.

Natural Hazards

12. *We* will not indemnify *You* for *Damage* caused by or in any way connected to *Natural Hazards* unless Optional Extension 2 is shown as applying in *Your Policy Schedule*.

Negotiable Instruments

13. *We* will not indemnify *You* for *Damage* to bills, bonds, currency, cash, cheques, credit cards, deeds, evidence(s) of debt, promissory notes, securities, stamps, files, computer software or data howsoever caused.

Nuclear Materials

14. There is no cover under this *Policy* for *Damage*, liability, cost or expense of any nature directly or indirectly caused by or in any way connected with nuclear weapons material or ionising radiation or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel (for the purpose of this exclusion, combustion includes any self-sustaining process of nuclear fission or fusion).

Partial Occupation

15. *We* will not indemnify *You* for *Damage* caused by or in any way connected to the total or partial occupation of the applicable *Contract Works*.



Second-hand plant and machinery

16. We will not indemnify *You* for *Damage* to any previously used and/or operated, or second-hand, plant or machinery to be incorporated into any *Contract Works*.

Vehicle / Aircraft / Vessels

17. We will not indemnify *You* for *Damage* to, or liability arising out of *Your* ownership, possession or use of, vehicles licensed for general road use or waterborne vessels or aircraft.

War & Terrorism

18. There is no cover under this *Policy* for *Damage*, liability, cost or expense of any nature directly or indirectly caused by or in any way connected with any of the following regardless of any other contributing cause or event:

- a) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- b) confiscation, commandeering, requisition or destruction or *Damage* by order of any government de jure or de facto or by any public authority; or
- c) any act of terrorism.

For the purpose of this exclusion, terrorism means an act including but not limited to the use or threat of force or violence by any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s) which from its nature or context is committed for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

Workmanship and Design

19. There is no cover under this *Policy* for *Damage* to *Contract Works* caused by any error or defect in design, plan, specification, materials or workmanship.

This exclusion does not apply to *Damage* to other parts of the *Contract Works* which are free of the error or defect but are *Damaged* as a consequence of it.

For the sake of clarity, *Contract Works* is not *Damaged* solely by virtue of the existence of any error or defect in design, plan, specification, materials or workmanship.

Claims

Claims Obligations

1. In the event of any *Damage* which might give rise to a claim under this *Policy*, *You* must:
 - a) immediately notify *Us* by either telephone or electronic mail, giving an indication as to the nature and extent of *Damage*;
 - b) take all reasonable steps to minimise the extent of the *Damage*;
 - c) take all reasonable steps to protect the *Contract Works* from further *Damage*;
 - d) preserve the *Contract Works* and/or the parts affected and make it (them) available for inspection by *Our* representative or surveyor;
 - e) at *Your* expense provide *Us* with all such information and documentary evidence as *We* may require;
 - f) inform the Police in case of *Damage* due to theft, burglary, suspected arson or any other criminal act.
2. Once *You* have provided *Us* with notice in accordance with this condition:
 - a) *We*, or *Our* representative, will advise *You* to either complete the repairs or reinstatement (if only minor *Damage*) or allow for inspection of the *Damage*;
 - b) If *You* are advised to complete the repairs or reinstatement, *You* must do so without delay;
 - c) If *You* are advised to allow for inspection of the *Damage*:
 - i) *You* must allow *Us* or *Our* representative an opportunity to inspect the *Damage* before any repairs or reinstatement is effected. If *We* or *Our* representative do not carry out the inspection within a period of time which could be considered reasonable under the circumstances, *You* will be entitled to proceed with such repairs or reinstatement as is required; and
 - ii) Following *Our* inspection of the *Damage*, complete such repairs or reinstatement as is necessary in the circumstances without delay.

We will not indemnify *You* for *Damage* which is not repaired or reinstated without delay in accordance with this clause.

Definitions

Where any of the following words, or their derivatives, appear *Capitalised* and *Italicised* anywhere in this document they will mean:

Actual Value

The cost of the construction of the *Contract Works* to substantially the same condition and extent using the same or similar materials and construction methods commonly used at the time of the *Damage*, less a deduction for age and use.

Contract

A Contract, in respect of a project to undertake *Contract Works*, which is of the type described in the *Policy Schedule*.

Contract Site

The site(s), within the territorial limits specified in the *Policy Schedule*, at which *Contract Works* are to be performed.

Contract Works

All permanent and temporary works to be executed at a *Contract Site* in performance of an *Insured Contract* including *Principal Supplied Materials* and all labour and wages allowances, but does not include site huts, port-a-cabins, hoardings, signs, scaffolding, reusable formwork or false work.

Contractor

If the Contractor has arranged this *Policy*: the main Contractor named in the *Policy Schedule* and, if included on the *Policy Schedule*, any subcontractors, contracted to complete the *Contract Works* under an *Insured Contract*.

If the Principal has arranged this *Policy*: the main Contractor named in each individual *Insured Contract*, plus the main Contractor's subcontractors, contracted to complete the *Contract Works* under an *Insured Contract*.

Construction Cover Period

The period of cover provided by this *Policy* for each *Insured Contract*, that commences on a date which:

- a) occurs during the *Period of Insurance*; and
- b) is the day *You* take possession of the *Contract Site* prior to commencing the *Contract Works*,

and ends automatically on the earlier of:

- a) practical completion of the *Contract Works*; or
- b) any form of temporary or permanent occupation, whether full or partial, of the *Contract Works* by the Principal or anyone authorised or acting on behalf of the Principal; or
- c) the *Contract* no longer being an *Insured Contract*; or
- d) any such other date as agreed by *Us*.



Damage / Damaged

Sudden, unforeseen and unintended physical:

- a) loss; or
- b) Damage.

For the purpose of the *Policy*, *Contract Works* will not be regarded as Damaged solely by virtue of the existence of any error or defect in design, plan, specification, materials or workmanship in the *Contract Works* or any part thereof.

Electronic Data

Facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment, and includes programs, software and other coded instructions for such equipment.

Excess

The amount of the Excess that is to be applied to each event occurring at a *Contract Site*, as outlined in this *Policy* or the *Policy Schedule*.

For the purposes of applying the Excess any *Damage* caused by the same event during any period of 72 consecutive hours will be treated as one event and only one Excess shall apply.

Existing Structures

Structures and/or property which existed at the *Contract Site* prior to the commencement of the *Contract Works*.

Insured Contract

Any *Contract* which is of a type falling within the Insured Contract parameters specified in the *Policy Schedule* in respect of a project to complete *Contract Works* which commence during the *Period of Insurance*.

Insured Contract Value

The total contract value relative to a specific *Insured Contract*.

Maximum Contract Value

The maximum allowable *Contract* value relative to one specific *Insured Contract* as specified in the *Policy Schedule*.

Natural Hazards

Earthquake, tsunami, volcanic eruption, subterranean fire, landslide or hydrothermal activity.

Period of Defects Liability

The maintenance period set out on the *Policy Schedule* or if there is no period shown in the *Policy Schedule* a maximum period of 45 days from the date of practical completion of the *Contract Works*.

Period of Insurance

The period shown in the *Policy Schedule* during which this *Policy* is in force.

Policy

This pre-printed *Policy* document, which together with the *Policy Schedule* and the information provided by *You* in support of *Your* application, forms the basis of *Your* insurance contract with *Us*.

Policy Schedule

The most recent *Policy Schedule* issued by *Us* to *You* forming part of *Your Policy*.

Principal Supplied Materials

Materials and/or goods which were not included in the *Contract* price and were supplied to the *Contractor* by the Principal for inclusion in the works to be performed under an *Insured Contract*.

Regulations

Building or other regulations made under or framed in pursuance of any Act of Parliament or regulation or by-law of any local authority.

Total Loss

Damage which in *Our* opinion cannot be repaired or in respect of which the cost of repair will equal or exceed the *Actual Value* of the *Contract Works*, immediately prior to the *Damage* occurring.

Total Sum Insured

The amount shown in the *Policy Schedule* that is the maximum amount *We* will pay under this *Policy* for all claims for *Damage* to *Contract Works* arising out of any one event at any one *Contract Site*.

We, Us & Our

Lumley General Insurance (N.Z.) Limited

You & Your

The insured parties as shown in the *Policy Schedule* which includes the Principal named in the *Policy Schedule* and the *Contractor*.



