



HSB Micro Renewable Insurance

Operational insurance for small renewable energy facilities
Policy document



HSB Engineering Insurance

Contents

Your contract with us	3
Important information	4
Headings and interpretation	
Your policy	
Your responsibility to give us correct information	
Your rights to cancel your policy	
Our rights to cancel your policy	
Our regulators	
What happens if we cannot meet our liabilities	
How we use your information	
The courts and the laws that apply to your policy	
Contacting us	6
Making a claim	
Making a complaint	
Making any other enquiry	
Definitions	7
Section 1 - Equipment damage	9
What we will pay for	
How much we will pay	
Extra cover	
Special condition applying to section 1	
What we will not pay for	
Section 2 - Loss of income	11
What we will pay for	
How much we will pay	
Extra cover	
Special conditions applying to section 2	
What we will not pay for	
Section 3 - Public liability	12
What we will pay for	
How much we will pay	
Extra cover	
What we will not pay for	
Claim conditions	14
General conditions	15
General exclusions	16

Your contract with us

Thank you for buying the micro renewable policy from us, HSB Engineering Insurance Limited (HSBEIL). We are pleased that you have chosen our policy, and we will work hard to make sure that you are happy with the cover and service you receive.

The policy is a legal contract between:

- you, the person or organisation shown in the schedule as the 'insured'; and
- us.

The policy is made up of this document, the schedule setting out details of your cover, and any endorsements shown in the schedule. These make up the entire contract between you and us and must be read together. Please keep them all safely together.

We used the information you gave us on your proposal, and any further information we received, to decide whether to insure you. If any of that information was not accurate or was incomplete, this could affect your cover (see 'Your responsibility to give us correct information' under 'Important information').

If you pay the premium shown in the schedule, and keep to the terms and conditions of the policy, you will be covered under the sections of this document shown in the schedule for the **period of insurance**.

Signed for and on behalf of



Stephen Worrall
Managing Director



Tim James
Business Development Director

HSB Engineering Insurance Limited



Important information

Headings and interpretation

Throughout this policy:

- words or phrases which appear in bold have the meanings shown in the 'Definitions' section (page 7);
- headings are only to help you find the information you need, they do not form part of the policy document;
- words which appear in the singular include the plural and vice versa;
- words which appear in the present tense include the past tense and vice versa; and
- any words after the terms 'including', 'include', 'in particular', 'for example' or any similar expressions are examples and shall not limit the meaning of the words.

Your policy

This document, together with the schedule and any endorsements shown in the schedule, contains the information you need to know about your insurance. This document contains important information such as the terms and conditions of your insurance and how to contact us. The schedule and endorsements show:

- which sections of this document apply;
- the sum insured (the maximum amount of cover you have) for each section;
- any extra cover you have; and
- the premium.

Please keep the schedule with this document. We will send you a new schedule whenever there is a change to your insurance. We will also send you a new schedule each year before the renewal date shown, so you can check that the cover still meets your needs.

Your policy provides cover against specified events. Read this policy carefully to make sure that it meets your needs and you understand what is and is not covered. If there is anything you need to change or do not understand, contact the person who arranged this insurance for you or you can contact us. You can find the contact details for your local HSBEIL office on our website at www.munichre.com/hsbeil.

Your responsibility to give us correct information

You must do everything reasonably possible to make sure that all the information you give us is complete and accurate, and that you have not withheld any important facts.

As set out in general condition 4 – 'Change in risk' – you, or anyone acting for you, must tell us about any change in circumstance which happens before or during the **period of insurance** which may affect your cover.

As set out in general condition 7 – 'Fraud and misrepresentation' – if we find that you, or anyone acting for you, have failed to give us relevant information, or have given us false information, we may change the terms of the policy or treat it as if it had never existed. If, as a result of fraud, we treat your policy as if it had never existed, we can keep any premium you have paid and may report the matter to the police.

Your rights to cancel your policy

Cooling-off period

You have 14 days to make sure that you are happy with the cover provided. You can cancel the policy by telling us in writing and returning the schedule. This 14-day period, known as the 'cooling-off period', starts on:

- the day you receive your policy; or
- the date the **period of insurance** starts;

whichever is later.

If you do cancel the policy within the cooling-off period, as long as you have not made a claim, we will refund all the premium you have paid. If you have made a claim, you will not get a refund.

After the cooling-off period

You can cancel your policy at any time during the **period of insurance** by writing to us and returning the schedule. If you have made a claim, you will not get a refund. If you have not made a claim, when we receive your notice and schedule, we will cancel the policy and send you a refund. That refund will be a percentage of the year's premium, based on the number of days left in the **period of insurance**, less a cancellation charge (10% of the year's premium). If the amount of premium you have actually paid does not cover the period you have been insured for, you must pay us the difference.

Important information

Our rights to cancel your policy

We may cancel your policy if you do not keep to:

- claim condition 2 – ‘Fraudulent claims’;
- general condition 3 – ‘Caring for the insured property’;
- general condition 11 – ‘Paying the premium’; or
- general condition 12 – ‘Right to survey’.

If we cancel your policy because you have not kept to claim condition 2 - ‘Fraudulent claims’, cancellation will be immediate from the date of the fraudulent act relating to your claim. We may keep any premium you have paid and we may also report the matter to the police and any other relevant organisations.

If we cancel your policy because you have not kept to the general conditions shown above, we will send at least 14 days’ written notice to the address we have for you. If you have not made a claim, we will refund a percentage of the premium based on the number of days left in the **period of insurance**. If you have made a claim you will not get a refund and you must pay us any amount you still owe for the period you have been insured for.

If you have not kept to general condition 7 - ‘Fraud and misrepresentation’, we may treat your policy as if it had never existed but we may keep any premium you have paid. We may also report the matter to the police and any other relevant organisations.

Our regulators

We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The Financial Conduct Authority’s website includes a register of all regulated firms.

You can contact the Financial Conduct Authority at:

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

Telephone: 0800 111 6768
Website: www.fca.org.uk

What happens if we cannot meet our liabilities

If we cannot pay you what we owe, you may be entitled to compensation under the Financial Services Compensation Scheme (FSCS).

You can get more information about the scheme by contacting the FSCS at:

Financial Services Compensation Scheme
10th Floor
Beaufort House
15 St Botolph Street
London
EC3A 7QU

Telephone: 0800 678 1100
Website: www.fscs.org.uk

How we use your information

We may use the information you give us for a number of reasons (for example, to make decisions about cover and claims, and to detect and prevent fraud). We may share your information with, and get information about you from other insurers, credit-reference agencies, fraud-prevention agencies, regulatory authorities and agents who provide services on our behalf. We may share your information with third-parties outside of the European Economic Area (EEA).

If the information you give us is personal information (such as names, addresses, telephone numbers, job titles or dates of birth), you give us permission to use that information as explained above. If you give us personal information relating to anyone other than you, you must have that person’s permission to give us their information and for us to use it as set out above.

The courts and the laws that apply to your policy

Before the **period of insurance** starts, you can tell us in writing which of the following laws you want to apply to the policy.

Option 1: The laws that apply in the part of the United Kingdom, Channel Islands or Isle of Man where the **insured property** is kept (the **insured location**).

Option 2: The laws that apply in the part of the United Kingdom, Channel Islands or Isle of Man where you live or where your business is located.

Option 3: The laws of England and Wales.

If you do not tell us a preference, option 3 will apply.

All disputes in connection with your policy will take place in the relevant courts of the option that applies to the policy.

Unless you and we agree otherwise in writing, all communications relating to the policy will be in English.

Contacting us

Making a claim

When you make a claim, it is very important that you meet all of the requirements of the policy, particularly claim condition 1 - 'Reporting a claim'. If you don't, we may not pay part or all of your claim.

You must report your claim to either the person who arranged this insurance for you or to us at:

Claims Department
HSB Engineering Insurance Limited
Chancery Place
50 Brown Street
Manchester
M2 2JT

Telephone: +44 (0) 330 100 3432*
Email: new.loss@hsbeil.com

*calls to this number are charged at the same standard landline rate as 01 or 02 numbers

Making a complaint

We are committed to providing the highest standards of customer service and treating our customers fairly. If you have a complaint, contact the person who arranged this insurance for you or contact us at:

The Customer Relations Leader
HSB Engineering Insurance Limited
Chancery Place
50 Brown Street
Manchester
M2 2JT

Telephone: +44 (0) 330 100 3433*
Email: complaints@hsbeil.com

*calls to this number are charged at the same standard landline rate as 01 or 02 numbers

When we receive your complaint we will:

- confirm receipt within five business days;
- pass it to our complaints team for review; and
- do our best to deal with your complaint within four weeks. If we cannot, we will write to you and let you know when we will be able to give you a final response.

If we cannot deal with your complaint within eight weeks, or you are not happy with our final response, you may be able to complain to the Financial Ombudsman Service (FOS).

The FOS is an independent organisation which may be able to review your complaint for you.

You can contact the FOS at:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone: 0800 023 4567 if calling from a landline
0300 123 9123 if calling from a mobile
Website: www.fos.org.uk

The FOS's service is available to individual policyholders as well as charities, trustees and small businesses with an income or assets within set limits. You can get more information from us or the FOS.

If you make a complaint to the FOS, this will not affect your right to take legal action against us.

Making any other enquiry

If you have any questions about the policy or your cover, contact the person who arranged the insurance or contact us.

You can find the contact details for your local HSBEIL office on the website at www.munichre.com/hsbeil.

Definitions

Where the words below are printed bold in this document or the schedule, they have the meanings shown here.

Act of terrorism

An act or threat any person or group (whether acting alone or in connection with any organisation or government) commits for political, religious, ideological or similar purposes, including to influence any government or frighten the public.

Bodily injury

Physical or mental injury, illness or disease.

Business

This means:

- owning, including being responsible for repairing, maintaining or using, **insured property at an insured location**;
- generating energy using **insured property**;
- providing and managing canteen, social, sports and welfare organisations, for the benefit of your **employees**;
- providing and managing security, fire, first-aid and ambulance services at an **insured location**;
- your **employees** carrying out manual work, with your permission, for any of your directors, partners or senior officials; or
- taking part in exhibitions.

Damage

This means:

- loss of, damage to or destruction of part or all of the **insured property**;
- part or all of the **insured property** breaking, failing or burning out while it is being used in an ordinary way, as a result of faults in the **insured property** or mistakes or failings of an operator causing the **insured property** to suddenly stop and need to be repaired or replaced before it can be used again;
- part or all of the **insured property** cracking or breaking as a result of frost, which prevents the **insured property** from working properly;
- a rope being completely severed;
- leaking joints, failure of welds, cracking or overheating of boilers, economisers, superheaters, pressure vessels or any associated steam piping; or
- failure of computer equipment controlling **insured property**.

Damages

This means:

- financial compensation you have to pay in civil proceedings, except for fines, penalties, punitive or exemplary damages (extra damages to punish you) or aggravated damages (more severe damages to reflect the seriousness of an offence); or
- third-parties' costs and expenses you have to pay as a result of civil proceedings being brought against you.

Defence costs

Costs and expenses we agree to in writing for investigating, settling or defending a claim against you.

Digestate

The material remaining after anaerobic digestion (where biodegradable material is broken down by bacteria without oxygen being present).

Electronic data

Facts, concepts, information, ideas, text, recordings and images which are converted to a form which can be processed by computer or other electronic equipment, including software and programs.

Employee

This means any:

- person employed, borrowed or hired by you, including apprentices;
- labour master or labour-only subcontractor (or a person supplied by any of them);
- self-employed person;
- person taking part in any government or otherwise authorised work experience, training, study, exchange or similar scheme;
- person doing voluntary work for you; or
- person supplied to you under a contract or agreement which states that they are in your employment;

when they are working for you in connection with your **business**.

Excess

The amount of your claim, as shown in the schedule, that we will not pay.

Definitions

Financial loss

This means:

- the amount your **income** reduces during the **indemnity period** as a result of an **insured event**; plus
- the extra expense of:
 - avoiding or minimising the reduction in your **income** (but no more than the amount of reduction avoided);
 - buying energy that would have been provided by your **insured property** if the **insured event** hadn't happened; and
- if we agree in writing, the extra expense, over the amount of reduction avoided, of continuing your **business**.

Income

Fees paid to you in connection with generating energy or waste disposal at the **insured location** affected by the **insured event**.

Indemnity period

The period during which you suffer a **financial loss** as the result of an **insured event**, starting on the date of the **insured event** and ending no later than the last day of the **indemnity period** shown in the schedule.

Insured event

This means:

- **damage** to your **insured property**;
- the sudden and unforeseen failure of the public supply of electricity, gas or water at the terminal ends of any service feeders at an **insured location**;
- the failure of telecommunications used in connection with your **insured property** in the course of your **business**;
- not being able to export energy from an **insured location** as a result of **damage** to transmission lines or substations within a kilometre of the **insured location**;
- not being able to export energy from an **insured location** as a result of **damage** at the premises of your customers or suppliers; or
- not being able to get access to, or use, your **insured property** after:
 - **damage** to any property within a kilometre of an **insured location**; or
 - a public or police authority using its powers to protect life or property.

Insured location

Any location shown in the schedule as an **insured location**.

Insured property

The **insured property** shown in the schedule.

- For biomass and biogas installations **insured property** means any equipment and machinery used in connection with running a biomass or biogas heating or power-generation plant, including storage tanks, augers, screeners,

scrubbers, boilers, gas engines, generators, heat exchangers, pumps and motors.

- For hydroelectric installations **insured property** means any equipment, machinery, dam and weir used in connection with running a hydroelectric-power station, including turbines, sluice gates, screens, screeners, pumps, motors, generators, gearboxes, engines, alternators and associated equipment.
- For photovoltaic installations **insured property** means any photovoltaic unit, including the mechanical and electrical parts, inverter, mounting structure, solar tracker and foundation.
- For wind-turbine installations **insured property** means any generator unit, including the mechanical and electrical parts, blades, tower and foundation.
- For all installations **insured property** also means any substation and distribution transformer, switchgear, meter, cabling, telecommunication and monitoring device, anemometer, building and converter housing (including fixtures and fittings), security equipment, access roads, hardstandings, fuel stock, spares used only for any **insured property**, and any other property shown in the schedule.

Limit of liability

The most we will pay for claims arising from one **occurrence**, regardless of the number of people or organisations insured by your policy. The **limit of liability** is shown in the schedule.

Occurrence

One event or a series of events arising out of or in connection with the same cause, source or event.

Period of insurance

The period of time, as shown in the schedule, during which you are covered by the policy, unless it is cancelled.

Personal injury

This means:

- death or **bodily injury**;
- wrongful arrest, detention or imprisonment;
- unlawful eviction; or
- wrongfully being accused of theft.

Pollution

Contamination of the air, water, land or property.

Territorial limits

The **territorial limits** shown in the schedule.

Third-party property damage

Physical damage to property which someone else owns and for which you do not have custody or control.

Time excess

The time period, as shown in the schedule, we will not pay any **financial loss** for.

Section 1 - Equipment damage

As well as the claim conditions, general conditions and general exclusions, the following terms and conditions apply under section 1.

What we will pay for

We will pay you for **damage to insured property** owned, leased, hired or rented by you, during the **period of insurance**, while it is at an **insured location**.

How much we will pay

Partial loss

If your **insured property** is partially **damaged**, we will pay the cost of repairing or restoring the **damaged** part to return it to a condition similar to the condition it was in when new. We will not pay more than the amount we would have to pay for a total loss (see below).

Total loss

If your **insured property** is **damaged** beyond economical repair (that is, if the cost of repairs is higher than the cost of replacing the **insured property**), we will pay the following.

– If, at the time of the **damage**, items which are the same as your **insured property** are still being produced by the manufacturer, we will pay the cost of a new replacement that is as good as, but not better than, your **damaged insured property**.

However, if your **insured property** has a measurable output and can be replaced with a new item which performs a similar function, we will pay:

- the cost of a new replacement item that has the same output or less; or
- the cost of a new replacement item with a greater total output, if the cost of the replacement is no more than the cost of your **damaged insured property**; or
- the proportion (based on output) of the new replacement cost of an item which has a greater output and higher cost than that of your **damaged insured property** (you will have to pay the difference).

– If, at the time of **damage**, items which are the same as your **insured property** are no longer produced by the manufacturer, we will pay the market value of your **insured property** (that is, the estimated amount your **insured property** would reasonably have been expected to sell for immediately before the **damage** occurred).

Maximum we will pay

For each **occurrence** of **damage** we will not pay more than 130% of the relevant sum insured shown in the schedule, regardless of the number of people or organisations insured by the policy.

Any 'limits' shown for extra cover will be on top of the sum insured shown against 'section 1' in the schedule.

Extra cover

If we have agreed to provide any of the extra cover below, this will be shown in the extra cover 'limits' in the schedule and we will not pay more than these limits for each **occurrence** of **damage**.

1. Contamination

If we accept a claim for **damage**, we will pay for the cost of repairing, replacing, disposing of or cleaning up **insured property** that is contaminated or polluted as a result of that **damage**.

2. Disposing of digestate

If we accept a claim for **damage**, we will also pay the cost of disposing of spoiled **digestate** and to clean **digestate** tanks.

3. Investigation cost

If we accept a claim for **damage**, and we agree in writing, we will pay the cost of investigating possible repair, replacement or restoration.

4. Loss-prevention measures

We will pay the cost of preventing or minimising actual or expected **damage** covered by the policy, as long as:

- **damage** would be expected if the measures were not taken;
- we are satisfied that the **damage** has been prevented or minimised by these measures; and
- the cost is limited to the cost of **damage** which would have been caused.

The full terms and conditions of the policy apply as if **damage** had arisen.

5. Newly acquired property

We will pay for **damage** to newly acquired property from the time that installation and testing is completed and it is ready to be used at an **insured location** as long as:

- you tell us within 60 days of acquiring the new property and pay any extra premium that we need;
- the newly acquired property is of the same type, nature and function as your **insured property**; and
- the newly acquired property is free from faults, as far as you know.

Section 1 - Equipment damage

6. Public authorities' requirements

If we accept a claim for **damage**, we will pay the reinstatement costs necessary to keep to a law or regulation, or any requirement of a local authority, that applies to the **damaged insured property**. We will only pay these costs if the reinstatement work is completed within 12 months of the **damage** being caused, or within any further time that we allow.

We will not pay for:

- any cost relating to undamaged property or any undamaged item of **insured property**, other than foundations;
- any tax, charge or assessment which arises out of capital appreciation (that is, any increase in the value of the **insured property**); or
- the cost of keeping to any notice issued before the **damage** happened.

7. Reinstating programs and data

We will pay the cost of reinstating, restoring and recreating **electronic data** which is held and used on management and control systems, and is used in connection with your **insured property**, as long as:

- this is necessary as a result of **damage** to **insured property**; and
- where possible, you keep a back-up copy of the original **electronic data**.

8. Removing debris

If we accept a claim for **damage**, we will also pay the cost of dismantling, demolishing and removing **damaged insured property**.

9. Temporary and fast-tracked repair

If we accept a claim for **damage**, we will pay the cost of making temporary repairs and fast-tracking a permanent repair, replacement or restoration.

10. Temporary removal

We will pay for **damage** to your **insured property** while it is:

- being loaded unloaded and transported (other than by air or sea); or
- temporarily removed from any **insured location**; for the purposes of replacement, repair, restoration, service or modification anywhere within the **territorial limits**.

Special condition applying to section 1

Transfer of interest

If, at the time of any **damage**, you are contracted to sell your interest in your **insured property** and the sale has not been completed, the purchaser will be insured by the policy, with the same rights as you, until the sale has completed.

What we will not pay for

We will not pay for the following.

1. Application of tools

Damage caused by the proper use of tools during maintenance, servicing or repair.

2. Excess

The amount shown as the 'Excess' in the schedule.

3. Experiments and overload

Damage caused by intentional overloading, testing, experiment or deliberate misuse.

4. Guarantee, warranty or maintenance contract

The cost of repairing, putting right or restoring any **damage** covered by any manufacturer's or supplier's guarantee or warranty, or any maintenance contract.

5. Normal upkeep

The cost of normal maintenance of your **insured property**.

6. Pollution

Damage caused by **pollution** except as shown in extra cover 1 - 'Contamination' in this section.

7. Unexplained losses

Disappearances or shortages discovered when carrying out checks or inventories.

8. Wear and tear

Losses due to:

- wear and tear, gradual deterioration or rust;
- scratching or chipping of painted or polished surfaces;
- erosion or corrosion; or
- reduction in performance.

However, we will pay for **damage** to your **insured property** resulting from the causes above which we would otherwise have paid under your policy.

Section 2 - Loss of income

As well as the claim conditions, general conditions and general exclusions, the following terms and conditions apply if the schedule shows that you have cover under section 2.

What we will pay for

If section 2 is shown as insured in the schedule, we will pay your **financial loss** resulting from an **insured event** during the **period of insurance**.

How much we will pay

We will pay your **financial loss** during the **indemnity period** as a result of an **insured event**.

When we are working out the amount to pay, we will take account of circumstances that would have affected **income** at an **insured location** as if the **insured event** had not happened.

If a replacement for your **damaged** item of **insured property** is no longer being produced or is no longer available, and repairing the **damage** would not be economical (that is, if the cost of repairs is higher than the cost of replacing the **insured property**), the maximum **indemnity period** will be:

- six months; or
- the **indemnity period**;

whichever is shorter.

If this is your first year of trading, we will pay the difference between your **income** during the **indemnity period** and during the period immediately before the loss, less any savings resulting from reduced costs.

Maximum we will pay

For each **occurrence** of an **insured event** we will not pay more than 130% of your estimated income, as shown in the schedule.

Any 'limits' shown for extra cover will be on top of the sum insured shown against 'section 2' in the schedule.

Extra cover

If we have agreed to provide any of the extra cover below, this will be shown in the extra cover 'limits' in the schedule and we will not pay more than these limits for each **occurrence**.

1. Accountants' fees

We will pay the cost of you providing the information we need to work out the amount we should pay as a result of:

- extra staffing costs; and
- extra fees charged by your usual auditors or accountants.

Special conditions applying to section 2

1. Equipment damage requirement

We will only pay a claim for **financial loss** resulting from **damage** if that **damage** is covered under section 1, or if we would not pay the claim under section 1 purely because the 'Excess' or 'Guarantee, warranty or maintenance contract' clause in section 1 applies.

2. Excess

The **excess** and **time excess** will apply separately if both sections 1 and 2 provide cover following an **insured event**.

What we will not pay for

We will not pay for the following.

1. Deliberate act of a utility supplier

Financial loss or any other cost resulting from a deliberate act or failure of a utility supplier, grid operator or telecommunications operator, other than where that was necessary to protect life or prevent damage to property.

2. Indirect losses

Financial loss or any other cost resulting from:

- any lease, contract, licence or order ending or being suspended or cancelled;
- penalties of any kind;
- lack of, or guarantees of, performance;
- inefficiency or delay; or
- measures to eliminate or reduce losses from any of the causes above.

3. Time excess

Financial loss or any other cost arising during the **time excess**.

Section 3 - Public liability

As well as the claim conditions, general conditions and general exclusions, the following terms and conditions apply if the schedule shows that you have cover under section 3.

For the purposes of this section 3, references to 'you' also mean:

- any of your directors, partners or **employees**, when acting on your behalf in connection with your **business**;
- any officer, member or **employee** of your canteen, social, sports, or welfare organisation, or fire, first-aid or ambulance services;
- any of your directors, partners or senior officials where private manual work is carried out for them by any of your **employees**; and
- your executors or personal representatives after your death.

What we will pay for

If section 3 is shown as insured in the schedule, we will pay the amounts you have to pay as **damages** and **defence costs** arising in connection with your **business** for:

- **personal injury** to any person;
- **third-party property damage**; or
- obstruction, loss of amenities, trespass, nuisance or interference with any right of way or any right to light, air or water;

arising during the **period of insurance** anywhere within the **territorial limits**.

How much we will pay

Limit of liability

For all claims we accept under the policy arising out of one **occurrence**, we will pay no more than the **limit of liability** regardless of the number of claims or claimants.

Defence costs

Any **defence costs** we pay will be on top of the **limit of liability**, unless the claim against you is brought in the United States of America or Canada (or anywhere that their laws apply in). In this case, the most we will pay, including **defence costs**, is the **limit of liability**.

If the total amount of **damages** arising out of one **occurrence** is more than the **limit of liability**, we will pay for the same proportion of **defence costs** that the **limit of liability** bears to the total amount of **damages**. For example, if the **limit of liability** is 80% of the total amount of **damages**, we will only pay 80% of the **defence costs**.

Paying out the limit of liability

For any and all claims arising out of any one **occurrence** we may pay the full **limit of liability** that applies to that **occurrence**.

When we have paid the full **limit of liability** for claims arising out of one **occurrence**, we will not pay any further amounts for claims arising from the same **occurrence** or for associated **defence costs** arising after we pay the full **limit of liability**.

Any 'limits' shown for extra cover will be on top of the **limit of liability** shown against 'section 3' in the schedule.

Extra cover

If we have agreed to provide any of the extra cover below, this will be shown in the extra cover 'limits' in the schedule and we will not pay more than these limits for each **occurrence**.

1. Attending court

We will pay you compensation, at the rates shown in the schedule, if we ask you to attend court as a witness in connection with a claim made against you that is covered under this section.

2. Cost of criminal proceedings

We will pay the **defence costs** we agree to in writing if any governmental, administrative or regulatory organisation brings any criminal action against you, during the **period of insurance**, for breaking any law or regulation in connection with a claim under this section.

3. Indemnity to customers

If any claim is made against a customer of your **business** whom you are providing services to under a written agreement, and you would have been covered under this section 3 if the claim had been made against you, we will treat the claim as if it had been made against you as long as the customer:

- is not covered under any other insurance or in any other way;
- allows us to control the handling of the claim at all times;
- has not caused the claim against them;
- has not admitted liability or done anything to damage our chances of success;
- co-operates fully with us in dealing with the claim; and
- agrees to be bound by the claim conditions and other provisions of the policy that apply to the claim.

Section 3 - Public liability

4. Non-owned motor vehicles

We will pay **damages** you have to pay as a result of your legal liability for death, **bodily injury**, or **third-party property damage** resulting from any motor vehicle which you do not own, and have not leased, hired or provided, which is used in connection with your **business**. We are not liable for:

- **damage** to the motor vehicle or its contents and attachments;
- death, **bodily injury** or **damage** arising while you are driving the motor vehicle;
- any motor vehicle being used outside the **territorial limits**; or
- liability arising from circumstances where you must insure the motor vehicle under any road traffic law.

5. Personal liability overseas

We will pay **damages** you or your husband, wife or civil partner have to pay, and any associated **defence costs**, relating to death, **bodily injury** or **third-party property damage** arising from personal activities performed in connection with your **business** while temporarily outside the **territorial limits**. However, we will not pay any **damages** relating to you owning or occupying land or buildings, or activities in the United States of America or Canada (or anywhere that their laws apply in).

What we will not pay for

We will not pay for any **damages** or **defence costs**, directly or indirectly arising from the following.

1. Advertising

- Any form of damaging or malicious statement made by you or with your knowledge.
- Advertising, publishing or broadcasting activities conducted by you or on your behalf.

2. Contractual liability

Any liability that you have accepted under a contract or agreement, unless you would have had that liability anyway.

3. Court rules

You failing to meet any requirements set by the court.

4. Injury to employees

Death of, or **bodily injury** to, an **employee** arising out of, or in the course of, his activities for you.

5. Pollution

Pollution, unless caused by a sudden, accidental, unexpected and unintended incident that takes place at a specific time and place.

6. Professional services

Advice, design services, instructions or specifications, except those relating to first-aid.

7. Property under your control

Damage to any property belonging to you or which you are responsible for at the time of the **damage**, except for:

- **employees'** or visitors vehicles or belongings at an **insured location**;
- premises, including their contents, which you do not own but where you are temporarily carrying out your **business**; or
- premises rented to you, **damage** that could not be insured under a buildings insurance policy and which you would not be liable for other than under the lease or other agreement.

8. Recall

Recalling, modifying, disposing of or making a refund in connection with products you have supplied or used.

9. Toxic substances

Any loss, demand, claim or legal action arising out of or in connection with asbestos, lead or polychlorinated biphenols, or other materials which contain asbestos, lead or polychlorinated biphenols.

10. Use of vehicles

You, or someone acting on your behalf, owning, keeping or using:

- any motor vehicle, attached trailer or mobile equipment or machinery if you must have insurance or security under any road traffic law (except for liability arising from loading or unloading the vehicle or trailer while off the road); or
- any aircraft or other flying device, hovercraft, watercraft or offshore installation.

Claim conditions

You must keep to the following conditions whenever you need to make a claim under the policy. If you do not meet these conditions, and this reduces our legal or financial rights under the policy, we may refuse to pay part or all of your claim.

1. Reporting a claim

As soon as you know about any incident or circumstance that may result in a claim you must:

- take all reasonable steps and precautions to prevent further **damage, financial loss** or **personal injury**;
- immediately tell the police about any loss or damage relating to crime and get a crime reference number;
- tell the person who arranged your policy (or us), providing full details, as soon after the incident or circumstance as possible and within 14 days in the case of **damage** or **financial loss** caused by riot, civil commotion, strike, locked-out workers or people taking part in labour disturbances;
- immediately send us every letter, writ, summons or other document you receive in connection with the claim or circumstance;
- immediately tell us about any prosecution, inquest or fatal-accident inquiry, adjudication hearing or court proceedings in connection with the claim or circumstance;
- keep any **damaged insured property** and other evidence and allow us to inspect it;
- co-operate with us fully and provide all the information we need to investigate your claim or circumstance;
- give us details of any other insurances you may have which may cover **damage, financial loss, damages** or **defence costs** insured by this policy; and
- tell us if lost or stolen **insured property** is recovered or if you recover money from a third-party (you may need to give the **insured property** or money to us).

You must not admit responsibility or agree to pay any money on our behalf without our written permission.

2. Fraudulent claims

If you (or anyone acting for you) make a claim that you know is in any way false or exaggerated, we will not pay the claim and we may cancel your policy from the time of the fraudulent act relating to your claim (see 'Our rights to cancel your policy' on page 5). We may also cancel any other policies you have with us.

3. Enforcing your rights

We may, at our expense, take all necessary steps to enforce your rights against any third-party. We can do this before or after we pay a claim. You must not do anything before or after we pay your claim to affect our rights and you must give us any help and information we ask for.

4. Controlling a defence

We can, but do not have to, take control of investigating, settling or defending any claim made against you. We would take this action in your name. If necessary, we will appoint an adjuster, solicitor or any other appropriate person to deal with the claim. We may appoint your solicitor, but only on a fee basis similar to that of our own solicitor, and only for work done with our permission in writing. We will only defend claims if we think that there is a reasonable chance of being successful, and after taking the costs of the defence into account.

5. Other insurance

If there is any other insurance covering your claim, we will only pay our share, even if the other insurer refuses to pay the claim.

General conditions

The following conditions apply to the whole policy. If you do not keep to any condition of the policy, and that condition is relevant to your claim, we may refuse to pay part or all of the claim.

1. 72-hour clause

For any claim resulting from earthquake, storm or flood, all **damage to insured property** arising within a 72-hour period will be considered to be a single **occurrence of damage** to that **insured property** and so there will be a single sum insured and a single **excess**. You can choose the moment the 72-hour period starts, as long as it ends within the **period of insurance**.

2. Abandonment

You are not entitled to abandon your **insured property**, whether or not we have taken possession of it.

3. Caring for the insured property

You must:

- keep to any law relevant to the **insured property**;
- make sure that your **insured property** is maintained, inspected and tested as recommended by the manufacturer;
- keep a record of all maintenance procedures and maintenance carried out, and let us check those records;
- take all reasonable steps and precautions to prevent or reduce **damage** and **financial loss**; and
- not continue to use **insured property** after **damage**, unless we have given our written permission.

If you do not keep to this condition we may:

- refuse to pay part or all of your claim; and
- cancel your policy (see “Our rights to cancel your policy” on page 5).

4. Change in risk

Your cover will not be affected by any act, failure or change in circumstance which increases the risk of **damage, financial loss** or **damages** which you could not have known about or controlled.

As soon as you (or anyone acting for you) become aware of any act, failure or change in circumstance which may affect the policy, you must tell us as soon as possible and keep to any extra terms and conditions we set. This applies to any change of circumstance which arises, whether before or during the **period of insurance**, including before we renew your policy.

5. Contracts (Rights of Third-Parties) Act 1999

Any person or company who is not named in the schedule has no right under the Contracts (Rights of Third-Parties) Act 1999 (or any other law) to enforce any term of the policy.

6. Discovering a defect

If you find out about a defect in the **insured property** which has not yet resulted in **damage**, you must investigate it as soon as possible and, if necessary, correct the defect in all **insured property** at your own expense.

7. Fraud and misrepresentation

If we find that you (or anyone acting for you) have not told us about, or have misrepresented, any important fact, and that affected our decision to provide cover or the terms of your policy, we may treat your policy as though it never existed or we may change the terms and conditions of your policy and not pay part or all of any claim. If we treat your policy as if it never existed, we can recover any amounts we have already paid under the policy.

If we treat your policy as if it never existed because of fraud, we may keep any premium you have paid. We may also report the matter to the police and notify any other relevant organisations of the circumstances.

8. Fuel quality

You must make sure that any fuel supply is maintained within the manufacturers’ or suppliers’ specifications and operating guidelines.

9. Guarantees, warranties and maintenance contracts

You must tell us if any guarantee, warranty or maintenance contract will end during the **period of insurance**. We may then change the terms of your policy.

10. More than one insured

If more than one ‘insured’ is named in the schedule, the first named insured will receive all notices and agree any changes to the policy and will be treated as acting for all the named insureds, but we will not remove any named insured without their permission.

For any claim, the total amount we will pay will not be more than the sum insured or **limit of liability**, regardless of the number of people or organisations insured by the policy.

11. Paying the premium

You must pay the premium on or before the start of the **period of insurance** or on dates agreed by us.

If you do not pay a premium on time, we may cancel the policy (see ‘Our rights to cancel your policy’ on page 5).

12. Right to survey

If we ask, you must give us access to your **insured location** at an agreed date and time to carry out a risk survey.

If you do not keep to this condition we may cancel the policy (see ‘Our rights to cancel your policy’ on page 5).

13. Tax

Any claim we pay will not include VAT, unless you cannot recover part or all of the VAT you have paid.

General exclusions

The following exclusions apply to the whole of your policy.

We will not pay for any claim, cost or loss caused by or resulting from the following.

1. Electronic data and data recognition

Loss or damage caused by:

- a virus (a program, code, programming instruction or any set of instructions intended to damage, interfere with or have a negative effect on computer programs, data or operations);
- hacking (unauthorised electronic access to any computer or other electronic equipment);
- a denial of service attack (any actions or instructions intended to damage, interfere with, or affect the availability or performance of networks, network services, network connectivity or telecommunication systems); or
- electronic equipment not being able to correctly recognise, process or store any data.

2. Intentional acts

Any intentional act or failure by you, unless this is a measure to prevent or reduce **personal injury, damage** to your **insured property** or **financial loss**.

For the purposes of this general exclusion, references to 'you' also mean:

- any of your directors, partners or **employees**, when acting on your behalf in connection with your **business**;
- any officer, member or **employee** of your canteen, social, sports, or welfare organisation, or fire, first-aid or ambulance services;
- any of your directors, partners or senior officials where private manual work is carried out for them by any of your **employees**; and
- your executors or personal representatives after your death.

3. Micro-organism

Mould, mildew, fungus, spores or other micro-organisms.

4. Nuclear risks

- Ionising radiation from, or contamination by, radioactivity from any nuclear fuel or nuclear waste, or from burning nuclear fuel.
- The radioactive, toxic, explosive or other dangerous properties of any nuclear installation, reactor or other nuclear equipment, or any nuclear part of them.
- Any weapon or device using atomic or nuclear fission, fusion or similar reaction, or radioactive force or material.
- The radioactive, toxic, explosive or other dangerous properties of any radioactive material.

5. Property being confiscated

Your property being confiscated or **damaged** by, or under the order of, any government, public authority or local authority.

6. Terrorism

- Any **act of terrorism**, regardless of any other cause or event contributing to the **damage, financial loss** or **damages**.
- Civil commotion in Northern Ireland.
- Any action taken to control, prevent, suppress or in any way deal with any **act of terrorism**.

7. War

War, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or uprising.

This general exclusion 7 does not apply to any **damage, financial loss** or **personal injury** resulting from, or caused by, weapons of war which were not discovered before the start of the **period of insurance**, as long as there is no war in the country your **insured property** is in during the **period of insurance**.

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NOT IF, BUT HOW

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