

**Contractors  
Combined  
Insurance Policy  
Notice of Change**



# Contractors Combined Insurance Policy Notice of Change



## Significant Policy Changes

Your policy has been revised as a response to a need to update, improve and/or clarify cover. The undernoted summarises the changes relating to this revision as it impacts the standard policy form and reflects the updated policy wording.

The revised policy wording is intended to bring extra clarity and guidance in certain areas of the operation of the policy and extent of the cover provided.

This document does not set out all the changes from your previous policy. It also does not contain the full terms and conditions of the cover provided, which can be found in the policy documentation. It is important that you read your policy in full.

## Current version changes to your policy - PCPP070422

### Our agreement in general section

A new '**Setting Your Sums Insured**' clause has been added.

- This clause advises you to ensure your sum insured for insured property is accurate and, taking account of potential increases, remains adequate throughout the period of insurance. You are warned that underinsuring property insured may result in reduced claim payments in accordance with the 'Underinsurance' clauses in the 'Other terms and conditions applicable to this section' in the Property Section.
- The clause also advises you to ensure that you use accurate and up to date information when providing your sum insured for business interruption cover. You are warned that providing inaccurate figures may result in reduced claim payments, in accordance with the 'Underinsurance' clauses in the 'Other terms and conditions applicable to this section' in the Business Interruption Section. You are advised to ensure that you, along with your advisers familiarise yourselves with policy definitions to avoid the risk of underinsurance resulting from any misunderstanding of policy terms.

### **Duty of Fair Presentation**

- The 'Duty of Fair Presentation' clause has been moved from the **General Terms and Conditions** Section of the policy to the **Our agreement in general** section to give it greater prominence.

### **Fraudulent Claims**

- The 'Fraudulent Claims' clause has been moved from the **General Terms and Conditions** Section of the policy to the **Our agreement in general** section to give it greater prominence.

### **Compliance**

- The 'Observance' clause in the **General Terms and Conditions** Section of the policy has been removed. A new 'Compliance' clause has been added to the **Our agreement in general** Section to give it greater prominence and provide additional clarity around our rights in the event of a breach.

### Property Section

#### **85% Average Condition**

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- The 85% Average condition in the 'Underinsurance' clause in the 'Other terms and conditions applicable to this Section' section has been amended. This has been updated to provide additional clarity on the operation of the 85% Average condition in cases of underinsurance. There is no new fundamental change to cover. Instead, the language has been amended and a worked example included to make it clearer.

## **Business Interruption Section**

### **Underinsurance - 50% Average Condition**

A new 'Underinsurance' clause has been added to the **Business Interruption** Section of the Policy:

#### **Underinsurance**

Our liability for each item of **business** interruption insurance described in this **section** is, where specified in the **schedule** as being covered on a **sum insured basis**, subject to the following condition of underinsurance:

- a) When calculating our liability for each item of business interruption insurance under this Section, if the **gross fees, gross profit, gross revenue or rent receivable** that we calculate would, but for the **incident**, have been earned during the financial year most nearly concurrent with the **period of insurance** exceeds 150% of the **sum insured** for **gross fees, gross profit, gross revenue or rent receivable** (proportionately reduced in each case to an annual figure where the **maximum indemnity period** is greater than 12 (twelve) months), then the amount for which **we** will indemnify **you** for any loss hereby insured will be limited to that proportion which the **sum insured** (proportionately reduced to an annual figure if required) bears to the **gross fees, gross profit, gross revenue or rent receivable** that would, but for the **incident**, have been earned during the financial year most nearly concurrent with the **period of insurance**.

For example, say the **sum insured** for **gross profit** is £500,000. However, we calculate the **gross profit** that would, but for the **incident**, have been earned during the financial year most nearly concurrent with the **period of insurance** is £900,000. **Our** calculated figure for **gross profit** is greater than 150% of the **sum insured**. **You** will therefore have to bear a rateable proportion of the loss caused by the **damage**. In this example, the **sum insured** is only 56% of **our** calculated figure for **gross profit**. **We** would therefore only pay 56% of the valid claim for **Business Interruption**.

## **Legal Expenses Section**

- Your policy has been amended to clarify the provisions under which the cover is given.

## **New version changes to your policy – PCPP060121**

In addition to the changes noted above the following is a summary of the key changes to your revised policy but this summary will not reflect any variations or modifications to the **policy** which are specific to you; these will be confirmed by the **schedule** attaching to your **policy**.

## **How Your Policy Works Section**

A new '**Setting Your Sums Insured**' clause has been added.

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- This clause advises you to ensure your sum insured for insured property is accurate and, taking account of potential increases, remains adequate throughout the period of insurance. You are warned that underinsuring property insured may result in reduced claim payments in accordance with the 'Underinsurance' clauses in the 'Other terms and conditions applicable to this section' in the Property Section.
- The clause also advises you to ensure that you use accurate and up to date information when providing your sum insured for business interruption cover. You are warned that providing inaccurate figures may result in reduced claim payments, in accordance with the 'Underinsurance' clauses in the 'Other terms and conditions applicable to this section' in the Business Interruption Section. You are advised to ensure that you, along with your advisers familiarise yourselves with policy definitions to avoid the risk of underinsurance resulting from any misunderstanding of policy terms.

## Duty of Fair Presentation

- The 'Duty of Fair Presentation' clause has been moved from the **General Terms and Conditions** Section of the policy to the **Our agreement in general** section to give it greater prominence.

## Fraudulent Claims

- The 'Fraudulent Claims' clause has been moved from the **General Terms and Conditions** Section of the policy to the **Our agreement in general** section to give it greater prominence.

## Compliance

- The 'Observance' clause in the **General Terms and Conditions** Section of the policy has been removed. A new 'Compliance' clause has been added to the **Our agreement in general** Section to give it greater prominence and provide additional clarity around our rights in the event of a breach.

## Property Section

### 85% Average Condition

- The 85% Average condition in the 'Underinsurance' clause in the 'Other terms and conditions applicable to this Section' section has been amended. This has been updated to provide additional clarity on the operation of the 85% Average condition in cases of underinsurance. There is no new fundamental change to cover. Instead, the language has been amended and a worked example included to make it clearer.

## Business Interruption Section

### Underinsurance - 50% Average Condition

A new 'Underinsurance' clause has been added to the **Business Interruption** Section of the Policy:

#### Underinsurance

Our liability for each item of **business** interruption insurance described in this **section** is, where specified in the **schedule** as being covered on a **sum insured basis**, subject to the following condition of underinsurance:

- b) When calculating our liability for each item of business interruption insurance under this Section, if the **gross fees, gross profit, gross revenue or rent receivable** that we calculate would, but for the **incident**, have been earned during the financial year most nearly concurrent with the **period of insurance** exceeds 150% of the **sum insured** for

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**gross fees, gross profit, gross revenue or rent receivable** (proportionately reduced in each case to an annual figure where the **maximum indemnity period** is greater than 12 (twelve) months), then the amount for which **we** will indemnify **you** for any loss hereby insured will be limited to that proportion which the **sum insured** (proportionately reduced to an annual figure if required) bears to the **gross fees, gross profit, gross revenue or rent receivable** that would, but for the **incident**, have been earned during the financial year most nearly concurrent with the **period of insurance**.

For example, say the **sum insured** for **gross profit** is £500,000. However, we calculate the **gross profit** that would, but for the **incident**, have been earned during the financial year most nearly concurrent with the **period of insurance** is £900,000. **Our** calculated figure for **gross profit** is greater than 150% of the **sum insured**. **You** will therefore have to bear a rateable proportion of the loss caused by the **damage**. In this example, the **sum insured** is only 56% of **our** calculated figure for **gross profit**. **We** would therefore only pay 56% of the valid claim for **Business Interruption**.

## Legal Expenses Section

- Your policy has been amended to clarify the provisions under which the cover is given.

## Notifiable disease, murder or suicide, food or drink poisoning extension

The extension has been amended to clarify the insurer's liability and cover has been restricted. The insurer will not be liable in respect of:

1. Loss resulting from the first forty-eight (48) hours of each and every interruption or interference of the business at the premises.
2. An occurrence of a notifiable disease beyond the premises.
3. Loss where the event causes restrictions on the use of the premises on the order or advice of a Local or Government Authority.
4. Any costs incurred in cleaning, repair, replacement, recall or checking of property except as stated above.

The indemnity provided by this clause shall only apply for the period beginning with the occurrence of the loss and ending not later than three (3) months.

The insurer's liability will not exceed the sublimit of £10,000 any one occurrence and £50,000 in the aggregate anyone period of insurance.

The definition of 'Notifiable disease' excludes amongst other: Avian Influenza and/or Influenza A (H5N1); Swine Influenza and/or Influenza A (H1N1); Severe Acute Respiratory Syndrome (SARS); any coronavirus or coronavirus disease (or similar or equivalent disease or virus in the future); any epidemic or pandemic which poses a threat to human health or human welfare whether officially declared an epidemic or pandemic.

## Communicable disease exclusion

A new 'Communicable disease' exclusion has been added to the 'General exclusions' section of your policy:

### **Communicable disease**

Regardless of any provision to the contrary, the **policy** excludes any amount for which the **insurer** would otherwise be liable directly or indirectly caused by, resulting from, arising out of, in connection with, attributable to, or occurring concurrently or in any sequence with:

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- a) a **communicable disease**;
- b) the fear or threat (whether actual or perceived) of a **communicable disease**;
- c) the costs to clean-up, detoxify, remove, monitor or test for the actual, alleged, perceived or suspected presence of a **communicable disease**; or
- d) the **insured's** actual or alleged non-compliance with any advice, guidance, regulation, order, decree or law issued by a **public authority** in response to a **communicable disease**.

This exclusion shall not apply in respect of and to the extent of the indemnity provided by the 'Notifiable disease, murder or suicide, food or drink poisoning' extension of the **policy**.

Communicable disease means any disease which can be transmitted by means of any substance or agent where:

- a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation or mutation thereof, whether deemed living or not;
- b) 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
- c) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured;

regardless of the frequency or severity of an outbreak, or the size of the geographic area in which an outbreak is observed.

## **'How to Complain' section**

The 'How to Complain' section of your policy has been updated to clarify our complaints process. It now contains the following clauses:

### **How to Complain**

#### **Complaints to QBE**

The **insured** can complain about this **policy** by contacting its broker or where the **insured's** policy is insured by QBE Europe SA/NV, QBE UK Limited or the **insurer** is or includes a Lloyd's syndicate write to:

Customer Relations, QBE European Operations, 30 Fenchurch Street, London EC3M 3BD

Email: [CustomerRelations@uk.qbe.com](mailto:CustomerRelations@uk.qbe.com)

Telephone: 020 7105 5988

#### **The UK Financial Ombudsman Service (UK FOS)**

If the **insured** feels that its complaint has not been satisfactorily resolved, the **insured** may be eligible to contact the UK FOS to review the complaint. Information about the eligibility criteria is available on the UK FOS website: <http://www.financialombudsman.org.uk/consumer/complaints.htm>.

The **insured** can contact the UK FOS via its website, or write to Exchange Tower, London E14 9SR, Tel: +44 (0)800 023 4567.

#### **Financial Services Compensation Scheme (FSCS)**

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The **insured** may be entitled to compensation from the FSCS if the **insurer** is unable to meet its obligations under the **policy**. Further information is available from [www.fscs.org.uk](http://www.fscs.org.uk), or the **insured** can write to the Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY

In addition to the changes noted above the following is a summary of the key changes to your revised policy but this summary will not reflect any variations or modifications to the **policy** which are specific to you; these will be confirmed by the **schedule** attaching to your **policy**.

## Section 18 General Definitions and Interpretations

A new definition has been added for **Flood**

A new definition has been added for **Inundation of water**

A new definition has been added for **Storm**

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As with all aspects of the standard policy cover it is generally possible to negotiate extensions of cover with the underwriter.

