



# **CNC-WindWarrantyPlus® Four**

## **Onshore Wind Turbine Extended Warranty**

### **CNC Asset Ltd**

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## CNC WindWarrantyPlus® Four

### POLICY OF INSURANCE FOR MICRO WIND TURBINE BREAKDOWN including PREMATURE FAILURE and INCOME PROTECTION

#### CNC Asset Policy Number CNCXXXXXX

#### **The Contract of Insurance**

This policy wording, the information provided and / or the application form, the statement of fact, the policy Schedule, or notice issued by CNC Asset Ltd, at renewal and any endorsement together form the contract of insurance and must be read together.

In return for premium having been paid or agreed to be paid, the Insurer will provide the cover set out in this policy, to the extent of, and subject to, the terms contained in or endorsed on this policy.

#### **Important**

This policy is a legal contract. A material circumstance is one which affects this insurance and will have occurred either since the policy started or since the last renewal date.

A circumstance is material if it would influence the Insurer's judgement in determining whether to provide the cover and, if so, at what terms. If there is uncertainty as to whether a circumstance is material, ask CNC Asset Ltd or your insurance adviser. If you fail to tell CNC Asset Ltd, it could affect the extent of cover provided under the policy.

A written record (including copies of letters) of any information provided to CNC Asset Ltd or to an insurance adviser when renewing this policy should be retained.

It is particularly important the Insured Customer checks that they and the Insured Machinery are eligible to be covered under this Policy of Insurance by carefully reading this document.

## **Breach of Term**

It is agreed that where there has been a breach of any term (express or implied) which would otherwise result in the Insurer automatically being discharged from any liability, then such a breach shall result in any liability the Insurer might have under this policy being suspended. Such a suspension will apply only from the date and time at which the breach occurred and up to the date and time at which the breach is remedied. This means that the Insurer will have no liability in respect of any loss occurring, or attributable to something happening, during the period of suspension.

## **CERTIFICATION OF COVER**

This Policy, including the Policy Schedules and all appendices hereto, is issued to the Policyholder by the Administrator in its capacity as agent of the Insurer, Lloyd's Syndicate 4444 under contract reference B6839EW004.

In exchange of the payment of the Premium referenced in the Policy Annex, and for the Policy Period shown in the Policy Schedule, the Policyholder is indemnified against loss or damage arising in accordance with the terms and conditions contained in this Policy and any amendments to it, and subject to the limits applicable as set out in the Policy Schedule.

Signed by



Charley Grimston

Director

Authorised Signatory of

CNC Asset Limited

## INTRODUCTION

1. This Policy of Insurance contains general provisions and specific exclusions that define the extent of insurance cover provided by the Policy.
2. It is particularly important that the Policy Holder checks that they and the Insured Machinery are eligible to be covered under this Policy of Insurance by carefully reading this document.

## COVER

3. Subject to the receipt of the premium from the Policy Holder, Lloyd's Syndicate 4444 managed by Sompo Canopus Managing Agents Limited (hereinafter referred to as 'the Insurer') agrees to insure the Policy Holder for loss or damage to the Insured Machinery, as specified in the Schedule of Insurance, arising from the Cover Clause, as defined herein, in accordance with the terms, conditions and exclusions of this Policy of Insurance.

## DEFINITIONS

4. **Acceptance Date** The Acceptance Date is as follows:
  - 4.a. Where the Machinery has to be delivered, installed and tested at the Machinery Location. The date in the acceptance certificate issued by the Machinery Supplier after completion of installation and testing following delivery of the Insured Machinery to the Machinery Location.
  - 4.b. Where the Insured Machinery is already installed at the Machinery Location. The date in the Agreement between the Finance House and the Policy Holder or the day following the expiry date of the previous Policy of Insurance or the date agreed by the Policy Holder and the Administrator
5. **Administrator.** CNC Asset Ltd, CNC House, Finmere, Buckingham, MK18 4AR.
6. **Agreement.** A finance or rental agreement entered into by the Policy Holder with the Finance House in respect of the Insured Machinery and/or the premium payable under this Policy of Insurance.
7. **Excess** The excess shown in the Schedule of Insurance which in respect of:
  - 7.a. Breakdown claims is a monetary amount which will be deducted from each and every occurrence of loss or damage forming a claim under this Policy of Insurance
  - 7.b. Income Protection claims is the number of days which elapse following a Breakdown before which an Income Protection claim becomes payable.
8. **Finance House.** A finance or rental agreement entered into by the Policy Holder with the Finance House in respect of the Insured Machinery and/or the premium payable for this Policy of Insurance.

9. **Insurer.**
- 9.a. This insurance is underwritten 100% by Lloyd's Syndicate 4444.  
Lloyd's Syndicate 4444 are managed by Sompo Canopus Managing Agents Limited.  
Sompo Canopus Managing Agents Limited is authorised by the Prudential Regulation Authority (Firm Reference Number 204847).  
Sompo Canopus Managing Agents Limited is regulated by the Financial Conduct Authority and the Prudential Regulation Authority.  
Sompo Canopus Managing Agents Limited registered office is Gallery 9, One Lime Street, London EC3M 7HA. Registered Number: 01514453.
- 9.b. The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.
10. **Insured Machinery.** The item(s) specified in the Schedule attaching to this Policy of Insurance.
11. **Law.** This Policy of Insurance shall be governed by English Law.
12. **Limit of Liability.** The Limit of Liability provided shall not exceed the Sum Insured during the Period of Cover Provided by this Insurance and shall be further subject to the Maximum Claim and the Maximum Aggregate Claim.
13. **Machinery Location.** Premises owned or occupied by the Policy Holder, as stated in the Schedule of Insurance and where the Insured Machinery is located.
14. **Machinery Supplier.** The company named in the Schedule of Insurance who installed the insured Machinery at the Machinery Location.
15. **Machinery Servicing Agent.** Shall mean the Machinery Supplier or in the event the Machinery supplier is unable to perform a firm authorised by the Administrator.
16. **Master Parts List.** The Master Parts List is limited to the following component parts: Gearbox, Generator, Main shaft and bearing, Controller (Top, central and bottom), Blade hub, Blade bearings, Carden shaft, Hydraulic unit, Yaw gears, Yaw ring, Main shaft, Hub bearings, Brake System, Anemometer and Blade Spring.
17. **Maximum Claim.** The amounts shown in the Schedule which are the maximum amounts recoverable any one claim in respect of Breakdown and Income Protection separately. The maximum amount recoverable any one claim in respect of Income Protection shall be the income generated by the machinery during the Indemnity Period shown in the Schedule of Insurance.

18. **Maximum Aggregate Claim.** An amount shown in the Schedule which is the maximum amount recoverable over the Period of Cover Provided by this Policy of Insurance for Breakdown and Income Protection claims combined.
19. **Period of Cover Provided by this Policy of Insurance.** In respect of:
- 19.a. **Breakdown.** Cover commences as from the Acceptance Date or from the expiry of any manufacturer's warranty period, if later, as stated in the Schedule of Insurance and shall terminate on expiry of the Policy of Insurance as stated in the Schedule of Insurance.
- 19.b. **Income Protection.** Cover commences with the occurrence of Breakdown and ends not later than the maximum Indemnity Period shown in the Schedule during which the results of the business shall be affected in consequence of Breakdown.
- 19.c. The cover is non-cancellable by the Insurer for the period of the warranty.
20. **Periodic Finance Repayments.** Instalments, rentals or other periodic payments under the Agreement excluding singular payments, balloon payments or other terminal payments.
21. **Policy Holder.** As detailed in the Schedule of Insurance.
22. **Schedule of Insurance.**
- 22.a. The Schedule attaching to this Policy of Insurance containing details of the Insured Machinery and the period and extent of cover provided to the Policy Holder on the Insured Machinery under this Policy of Insurance.
- 22.b. Each Insured Machinery shall have a separate Schedule and a unique Policy number provided by the Administrator.
23. **Sum Insured.**
- 23.a. The Sum Insured for new machinery shall be the value of the Insured Machinery shown on the Machinery Supplier's invoice including delivery, installation and testing costs.
- 23.b. The Sum Insured for used machinery shall be the value arrived at by starting from the value when new, and then being depreciated for age on a scale held by the Administrator or as agreed by the Policy Holder and the Administrator.
24. **Waiting Period.** A period following the Acceptance Date during which any Breakdown claims shall not be recoverable under this Policy of Insurance for any Machines which were:
- 24.a. Used or reconditioned at the Acceptance Date in which case the Waiting Period shall be 30 Days in respect of Breakdown unless subject to an inspection survey by a company approved by the Administrator in which case the Waiting Period shall be nil.

- 24.b. Subject to the Assignment Condition, in which case the Waiting Period shall be 14 days.

### **COVER CLAUSE DEFINITIONS**

25. **Breakdown.**

- 25.a. The sudden and unforeseen breaking, distortion, overheating or electrical burnout or electronic failure to provide stable output at design specification of any part of the Insured Machinery as described in the Master Parts Schedule which occurs whilst the Insured Machinery is in use, resulting in its immediate stoppage of function or partial stoppage of pre-programmed function and requiring repair and / or replacement before normal working can be resumed and which occurs after the expiry of the manufacturer's warranty period
- 25.b. Breakdown includes the sudden and unforeseen breaking of any part of the Machinery due to premature wear and tear which occurs whilst the Machinery is in use, resulting in its immediate stoppage of function or partial stoppage of pre-programmed function and requiring repair and / or replacement before normal working can be resumed and which occurs after the expiry of the manufacturer's warranty period.
- 25.c. Premature wear and tear is determined by comparing the extent of wear and tear on the failed part with other associated or similar parts, if no wear and tear is apparent on the other parts then this would be deemed a failure due to wear and tear.

26. **Income Protection.** The indemnity provided for loss of income paid to the Policy Holder under the Feed in Tariff Payment and export tariff or export agreement or own use following Breakdown.

### **CONDITIONS**

27. **Compliance with Law and Financial Crime.**

- 27.a. Throughout the duration of this Policy of Insurance, the Insurer and the Parties shall comply with all Regulatory Requirements and legislation relating to the performance of their obligations hereunder. Where there is conflict between the provisions of this Policy and any Regulatory Requirements, the provisions of such Regulatory Requirements shall prevail.
- 27.b. The Insurer and the Parties shall not undertake any activity in any way that would constitute a criminal act within its jurisdiction, or where it is doing business, or which would expose the Insurer or the Parties to any criminal sanction.

28. **Cyber Attack.**
- 28.a. Subject only to clause 'b' below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to, by, or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme malicious code, computer virus or process or any other electronic system.
- 28.b. Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, clause a) shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and / or firing mechanism of any weapon or missile.
29. **Data Protection.**
- 29.a. The Insured shall ensure that it is aware of its obligations under the Data Protection Act 1998, whether as a data controller or data processor as appropriate and, if the former, that it is included in the register maintained by the Information Commissioner.
- 29.b. The Administrator shall process data regarding customers in accordance with the Data Protection Principles and for the purposes only of providing Guarantees to customers and prospective customers and the handling of claims.
30. **Financial Services Compensation Scheme.**
- 30.a. The Insurer is covered by the Financial Services Compensation Scheme whereby an Insured may be entitled to compensation from the Scheme if the Insurer is unable to meet its obligations under a Policy of Insurance.
- 30.b. Entitlement to compensation under the Scheme depends on the type of business and circumstances of the claim. Further information about the Compensation Scheme arrangements is available from the Financial Services Compensation Scheme (7th floor, Lloyds Chambers, Portsoken Street, London E1 8BN) or from their website ([www.fscs.org.uk](http://www.fscs.org.uk)).
31. **Foreign Language Translation.**
- 31.a. In the event there is a difference in interpretation between the language of this Policy and any foreign language translation, the former shall prevail for the settlement of claims.



31.b. Each foreign language translation shall be annotated 'Foreign language translation'. In the event there is a difference in interpretation of the meaning or language of a translation, the English version shall prevail'.

32. **Termination.**

32.a. The insurance provided by this Policy of Insurance shall be terminated:

- 32.a.i. at the expiry of the Period of Cover shown in the Schedule of Insurance.
- 32.a.ii. at the date when any premium payments or instalments for this insurance or any payments under any related Agreement remains unpaid more than 30 days after the due date.
- 32.a.iii. at the date on which the Maximum Aggregate Claim has been reached.
- 32.a.iv. in the event of total loss, on the date of such loss.
- 32.a.v. at the date on which the Insured Machinery is repossessed or a judgement is entered in any court with respect to the Policy Holder's obligations under such judgement.

32.b. Whichever is the earliest.

33. **Sanctions.** The Insurer shall not provide any benefit under this Policy to the extent of proving cover, payment of any claim or the provision of any benefit where doing so would breach any sanction, prohibition or restriction imposed by law or regulation.

34. **Information Supplied.** Any proposal or information supplied by the Policy Holder to the Insurer or the Finance House in connection with this insurance shall form part of the Policy of Insurance.

35. **Selling of Machine and Transfer of the Policy of Insurance.**

35.a. In the event the Policy Holder:

- 35.a.i. sells the Machine and any unexpired portion of the Policy of Insurance is not to be transferred to the new owner, or
- 35.a.ii. ceases to trade, the Insurer shall allow a return payment to the Policy Holder, provided that the claims record on the Machine is acceptable to the Insurer. The Administrator will establish from the Insurer if the claims record is acceptable where, if it is acceptable, any refund of premium shall take into account:
  - the claims paid by the Insurer, and
  - the period and/or hours the Machine has been in use.
- 35.a.iii. The Administrator reserves the right to deduct up to £250 administration fee from any agreed return premium.

35.b. In the event that the Finance House repossesses the Machine and advises the Administrator in writing or the premium finance Agreement is terminated and the

Finance House providing the premium advises the Administrator in writing, and subject to the Machinery being free from both pending and paid claims, the Insurer will allow a 100% return of premium to the Finance House pro rata to the period. The Administrator reserves the right to deduct up to £250 as an administration fee from any agreed return premium.

36. **Non Payment of Premium.** Where instalments are payable, the Insurer shall not have any liability under this Policy in respect of any Machine where the Policy Holder has failed to pay the first premium instalment due and, in the case of non-payment of the second instalment, the Insurer shall only be liable for claims arising during the first twelve months.
37. **Assignment.** A Policy Holder may not assign the Insurance under this Policy of Insurance unless any related Agreement is also transferred with the consent of the Finance House and where such assignment is accepted in writing from the Insurer. If assignment does take place without the consent of the Finance House or without acceptance by the Insurer, the insurance provided by this Policy of Insurance in respect of the Insured Machinery so assigned will be terminated from the date of the assignment.
38. **Access & Reasonable Precautions.** The Policy Holder shall:
- 38.a. provide reasonable facilities for the Insurer to examine any Insured Machinery and carry out any required dismantling and re-assembly required by the Insurer in making such examinations.
  - 38.b. take all reasonable precautions to avoid loss or damage and enforce the observance of all proper safeguards against damage to the Insured Machinery.
  - 38.c. ensure that all statutory and other regulations are observed.
  - 38.d. keep the Insured Machinery in a proper state of repair and maintain it in accordance with the manufacturer's recommendations.
39. **Observance.** Observance of the terms, limitations and conditions of this Policy of Insurance by the Policy Holder shall be precedent to any liability of the Insurer.
40. **Mis-representation & Non- Disclosure.** This Policy of Insurance shall be avoidable in the event of mis-representation, mis-description or non-disclosure of any material facts by the Policy Holder.
41. **Policy Holder's Responsibilities.** The Policy Holder is responsible for ensuring that
- 41.a. the Insured Machinery is properly maintained in accordance with the recommended servicing procedures at intervals prescribed by the manufacturer in the Insured Machinery's operating manual and records of such servicing are fully documented.
  - 41.b. throughout the ownership of the Insured Machinery there are preventative maintenance procedures in place as agreed with the Machinery Supplier for new

Machinery and with the Machinery Servicing Agent for used and reconditioned Machinery.

- 41.c. the Insured Machinery is only operated by a Policy Holder's employee who has been properly trained in the use of the Insured Machinery in accordance with the manufacturer's instructions.
- 41.d. any replacement parts fitted to the Insured Machinery are authentic parts made and approved by the manufacturer or appropriate generic parts.
- 41.e. the Insured Machinery is protected against sudden increase or reduction in electrical power.
- 41.f. ensuring that there is at all times a serviceable road to the site to permit access to the appropriate crane or service vehicle.
- 41.g. ensuring that there is remote monitoring in place which is not disconnected for any continuous period of more than seven days.

### **CLAIMS PROCEDURES AND CONDITIONS**

42. **Claims Procedure.** In the event of any defect or damage likely to give rise to a repair under this Policy of Insurance, the Policy Holder shall:
- 42.a. give the Administrator immediate notice of any defect or damage likely to give rise to a claim under this Policy of Insurance.
  - 42.b. promptly make the Insured Machinery available to the Machinery Servicing Agent for repair.
  - 42.c. take precautions to prevent further damage to the Insured Machinery. The Insurer shall not be liable for any further damage resulting from the continued use of the Insured Machinery until it has been repaired to the satisfaction of the Machinery Servicing Agent.
  - 42.d. retain all damaged part(s) for possible inspection until the claim is settled or, where instructed by the Administrator, to dispose of or return the damaged part(s) at their cost to the Machinery Servicing Agent as directed, ensuring that the part(s) are properly packed.
  - 42.e. submit a claims form to the Administrator within 30 days of the date of the loss using an authorised claims form obtainable from CNC Asset Ltd

Tel. no. + 44 (0) 1280 848800

Fax no. + 44 (0) 845 652 1953, or

from their web site at [www.cncassetmanagement.co.uk](http://www.cncassetmanagement.co.uk).

(Note: Failure to submit a claim form within the stipulated period may lead to the claim being denied).

- 42.f. be reimbursed for parts, labour, no more than four hours travel costs and the cost of one crane visit as described in the Basis of Claims Settlement at the Machinery Servicing Agent's retail price with due allowance made in respect of any refurbished or reconditioned part that is fitted.
- 42.g. be reimbursed for lost income determined from:
- 42.g.i. the same period in the preceding year or failing that from;
- 42.g.ii. the average daily rate taken from the Guarantee Holder's latest annual reports and accounts or failing that from:
- 42.g.iii. the average daily rate taken from the Guarantee Holder's latest last management accounts.
- 42.h. In all cases specific to the installation or if none of (i), (ii) or (iii) are available on a basis as may be agreed with the Administrator.
- 42.i. Cover under the Income Protection Cover Clause shall be conditional upon insurance being in force under the Breakdown Cover Clause and liability for a Breakdown loss being admitted by the Insurer.
43. **Fraudulent Claims.** If any claim made under this Policy is fraudulent or is intended to mislead the Insurer or the Administrator, or if fraudulent or misleading means are used by the Policy holder or anyone acting on his behalf to obtain any payment under this Policy, his right to any benefit under this Policy shall immediately end, and the Insurer shall be entitled to recover any previous benefit paid, and any costs incurred.
44. **Other Insurance.** Where at the time of any loss or damage covered by this Policy of Insurance there shall be any other insurance covering such loss or damage the Insurer shall only be liable for its rateable proportion of that loss or damage.
45. **Basis of Breakdown Claims Settlement.**
- 45.a. The basis of settlement of Breakdown claims for loss or damage covered under this Policy shall be:
- 45.a.i. in the case of repairable damage the cost of repair including replacement parts, standard labour charges and no more than four hours travel at ordinary rates, one crane visit and the cost of dismantling and re-erection less the value of salvage parts and excluding VAT.
- 45.a.ii. in the case of total loss.
- for Insured Machinery which was new at inception of the cover, the new replacement value of the item at the time of the occurrence including the cost of dismantling less the value of any salvage parts and excluding VAT.

- for Insured Machinery which was not new at inception of the cover, the market value at the time of loss and the cost of dismantling the damaged machinery less the value of any salvage parts and excluding VAT
- 45.b. Provided that the maximum liability of the Insurer shall not exceed the Limit of Liability, as stated in the Schedule, less any amount shown as the Excess.
- 45.c. An item of Insured Machinery will be considered a total loss if the cost of repair for Insured Machinery:
- 45.c.i. which was new at inception of the cover if the cost of repair as defined in a) above equals or exceeds the new replacement value at the time of the loss
  - 45.c.ii. which was not new at inception of the cover if the cost of repair as defined in a) above equals or exceeds the market value of the Insured Machinery at the time of the loss.
- 45.d. A total loss settlement will, in the first instance, be paid to the Finance House financing the premium to the extent of their outstanding financed amount.
46. **Obsolete Parts.** In the case of obsolete parts or any item or part of any item of the Insured Machinery which is unobtainable, the Insurer shall only be liable to pay the last listed price of that part or item or the nearest equivalent price at the time of the loss or damage.
47. **Liquidation.** In the event of liquidation or administration of the Policy Holder this Policy of Insurance responds first to the insurable interests of the Finance House.
48. **Suspension of Protection.** Following a claim, the Insurer reserves the right at any time to suspend the insurance of any Machine until the requirements of the Insurer have been fulfilled. Such suspension of cover will be notified in writing by the Insurer to the Policy Holder via the Administrator.
49. **Arbitration.**
- 48.a. All matters in difference between the parties arising under, out of or in connection with the Agreement, including formation and validity, and whether arising during or after the period of the Agreement, shall be referred to an Arbitrator. If the parties cannot agree who the Arbitrator should be, the appointer shall be the President for the time being of the Chartered Insurance Institute, 20 Aldermanbury, London EC2V 7HV or, if he is unavailable or it is inappropriate for him to act for any reason, the Vice President of the Chartered Insurance Institute at the above address.

48.b. All costs of the arbitration shall be determined by the arbitration tribunal who may, taking into account the law and practise of the place of arbitration, direct to and by whom and in what manner they shall be paid.

48.c. The place of arbitration shall be London, England.

49.d. The award of the arbitration tribunal shall be in writing and binding upon the parties, who consent to carry out the same.

## **EXCLUSIONS**

The Insurer shall not be liable for the following under this Policy of Insurance:

50. **Excess.** The amount stated in the Schedule of Insurance as the Excess in respect of each and every occurrence of loss or damage.
51. **Breakdown.** Loss or damage to the Insured Machinery from its own electrical or mechanical breakdown except where Breakdown is specified as a Cover Clause in the Schedule of Insurance in which case such incidents will be considered under the Breakdown Cover Clause.
52. **Accidental Damage.** Loss or damage to the Insured Machinery sustained from any extraneous cause.
53. **Defects, Designs and Plans.** Breakdown to Machinery caused by defects of material, workmanship, design, plans or specifications prepared or given and any resultant damage.
54. **Fire and Damage from other Extraneous Causes.** Loss or damage caused by or arising from fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, storm, tempest, flood, inundation, escape of water from water containing apparatus, leakage from sprinkler installations, theft or attempted theft or damage from any other extraneous cause, including damage from objects or equipment not forming an integral part of the machine system or cell and surges or variations in the electrical supply.
55. **Installation, Testing & Commissioning.** Loss of or damage to Insured Machinery during installation, testing and commissioning at the Machinery Location and until handed over by the Machinery Supplier upon agreement of an Acceptance Date between the Policy Holder and the Machinery Supplier.
56. **Dismantling.** Loss of or damage to Insured Machinery from the commencement of dismantling and/or disconnecting at the Machinery Location.
57. **Transit.** Loss or damage whilst in transit.
58. **Prototypes.** Loss or damage to any item which is a prototype or was a prototype at inception of the Policy of Insurance.

59. **Hired Out Machines.** Insured Machinery whilst hired out or loaned by the Policy Holder unless agreed in writing by the Insurer.
60. **Consumables, Tooling, Attachments & Tyres.**
- 60.a. Breakdown to any part not named in the Master Parts List including Insured Machinery which has been altered or modified from the manufacturer's original specification.
- 60.b. Parts that have not been supplied and fitted to the Insured Machinery by the Machinery Servicing Agent, or by the manufacturer or the Machinery Supplier during the manufacturer's warranty period.
- 60.c. This exclusion is limited to breakdown involving any part not named in the Master Parts List and shall apply to other resultant Breakdown.
61. **Cables & Pipes.** Loss of or damage to, external trailing cables or flexible pipes other than when accompanied by other insured damage to the Insured Machinery.
62. **Light Sources.** Light sources (including lasers), unless occasioned at the same time as loss or damage to other parts of the same item for which the Insured is indemnified.
63. **Overloading.** Claims arising from the execution of repairs, intentional overloading or experiments involving the imposition of any abnormal conditions on the Insured Machinery.
64. **Operational Use.** Loss or damage arising out of the use of the Insured Machinery outside the manufacturer's recommended specifications.
65. **Manufacturer's Liability.** Loss or damage which is the responsibility of the manufacturer and/or supplier and/or maintenance supplier under contract, guarantee, maintenance agreement or otherwise.
66. **Manufacturer's Warranty Terms and Conditions.** Any exclusions contained in the Manufacturer's Warranty Terms and Conditions that are not otherwise specified herein.
67. **Proper State of Repair and Maintenance.** Loss or damage arising out of:
- 67.a. the failure to keep the Insured Machinery in a proper state of repair or failure to maintain the Insured Machinery in accordance with the manufacturer's recommendations.
- 67.b. the cost of normal or routine maintenance.
68. **Unauthorised repair or installation.** Loss or damage to the Insured Machinery as a result of unauthorised repair or installation at the Machinery Location.
69. **Improvements.** The cost of any alterations, additions, improvements or overhauls carried out on the occasion of a repair.
70. **Continued Use.** Loss or damage arising out of the continued use of damaged Insured Machinery.

71. **Removal of Materials Being Processed.** Any costs incurred in clearing any materials being processed at the time of the loss or damage.
72. **Waiting Period.** Loss or damage during the Waiting Period as defined.
73. **Working Environment.** Loss or damage to the Insured Machinery as a result of contaminated compressed air supply, poor electric power supply and poor machine environment which includes excessive dust or other processed waste, excessive heat or excessive cold, power surge or loss of electrical phase.
74. **Wear & Tear.**  
The cost of rectification or making good of wear and tear other than premature wear and tear as allowed for within the definition for Breakdown, gradual deterioration, rust, corrosion or oxidisation, gradually developing defects, cracks, flaws or fractures, scratching of painted or polished surfaces, and gradual reduction in operating performance of any part where this can reasonably be considered to be due to wear, tear or deterioration commensurate with the age, impressions and condition of the Insured Machinery. This exclusion shall apply to other Breakdown costs.
75. **Application of Tools.** Loss or damage caused by the application of any tool or process to the Machinery during the course of maintenance, inspection, modification or overhaul.
76. **Failure of Electricity Supply.** Loss or damage which results directly or indirectly from any failure of the public electricity supply.
77. **Accessories.** Any Accessory being used with the Insured Machinery which was not originally supplied with the Insured Machinery or added to the Schedule of Insurance without the appropriate additional premium being paid.
78. **Consequential Loss.** Liquidated damages, penalties for delay or detention or in connection with guarantees of performance or consequential loss or damage not otherwise insured in this document.
79. **Wilful Act.** Loss or damage caused by abuse, misuse, wilful act or neglect of the Policy Holder.
80. **Radiation.** Loss of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to, by or arising from:-
- 80.a. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
- 80.b. the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
81. **Sonic Waves.** Loss or damage created by aircraft or other aerial devices travelling at sonic or supersonic speeds.



82. **War and Terrorism.**

- 82.a. Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting in or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;
- 82.a.i. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), strikes, riots, civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- 82.a.ii. any act of terrorism.
- 82.b. For the purpose of this Exclusion, an act of terrorism means an act, including but not limited to, the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.
- 82.c. This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (a) and / or (b) above.
- 82.d. Where the Insurer alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Policy holder.
- 82.e. In the event any portion of this Policy is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

## ENQUIRIES & COMPLAINTS PROCEDURES

It is the aim of both the Administrator and the Insurer to provide Insureds with a high quality service at all times, although it is recognised that there may be instances where an Insured feels it is necessary to lodge a complaint.

If an Insured does wish to complain, the party / parties to whom the Insured should address its complaint is dependent upon whether the Insured's business qualifies as an 'eligible complainant', as defined in the Financial Conduct Authority's Handbook. The prevailing definition of an eligible complainant includes a 'micro-enterprise, which is a business with:

- Fewer than 10 employees; and
- An annual turnover (or balance sheet) of less than € 2 million.

Step 1	If the Insured is a Micro-Enterprise	If the Insured is not a Micro-Enterprise
	<p>Please address the complaint to:</p> <p>The Divisional Underwriter, Sompo Canopus Managing Agents Ltd, Gallery 9, One Lime Street, London, EC3M 7HA</p> <p>Please take special note however that should an Insured wish to direct its complaint directly to Lloyd's in the first instance, the Insured may do so by using the contact information referenced in Step 2 below.</p> <p>Details of Lloyd's complaints procedure are set out in a leaflet "Your Complaint – How We Can Help", which is available at <a href="http://www.lloyds.com/complaints">http://www.lloyds.com/complaints</a></p> <p>Alternatively, an Insured may ask Lloyd's for a hard copy.</p>	<p>Please address the complaint to:</p> <p>The Divisional Underwriter, Sompo Canopus Managing Agents Ltd, Gallery 9, One Lime Street, London, EC3M 7HA</p>

	<p><b>Step 2</b></p>	<p>Should the Insured remain dissatisfied with the outcome of its complaint from Sompo Canopus Managing Agents Limited, the Insured's legal rights are not affected, and the Insured may refer its complaint to Lloyd's of London at: Complaints Department, Lloyd's Fidentia House, Walter Burke Way, Chatham Maritime, Kent, ME4 4RN</p> <p>Email: <a href="mailto:complaints@lloyds.com">complaints@lloyds.com</a> Telephone: +44 (0)20 7327 5693</p>	
	<p><b>Step 3</b></p>	<p>If the Insured still remains dissatisfied after Lloyd's has considered its complaint, the Insured may have the right to refer its complaint to the Financial Ombudsman Service at:</p> <p>Financial Ombudsman Service, Exchange Tower, London, E14 9SR</p> <p>Telephone: 0800 0234 567 (normally free from a fixed line, but charges may apply from mobiles)</p> <p>Telephone: 0300 1239 123 (normally charged at the same rate as 01 / 02 on mobile phone tariffs)</p> <p>Email: <a href="mailto:complaint.info@financial-ombudsman.org.uk">complaint.info@financial-ombudsman.org.uk</a></p>	