

Contractor's Open Builders' Risk

Contract

Words and phrases that appear in **bold** print have special meanings and are defined in the definitions section of this contract.

Throughout this contract the words "you" and "your" refer to the Named Insured shown in the Declarations of this policy. The words "we", "us" and "our" refer to the company providing this insurance.

Coverage

Construction Works

We will pay for direct physical loss or damage to **construction works** caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Construction Works shown in the Declarations.

The loss or damage must occur at the construction jobsite of an **insured construction project**, or within 1,000 feet of such construction jobsite, unless otherwise stated.

Extension Of Coverage

The following Extension Of Coverage is included under your coverage for Construction Works, and is subject to the applicable Limit Of Insurance for Construction Works shown in the Declarations.

Removal

We will pay for:

- any direct physical loss or damage to **construction works** while it is being moved to or while stored at another location for up to 180 days; or
- the cost to remove **construction works** from the premises,

if you must move the **construction works** from the premises to preserve it from loss or damage caused by or resulting from a peril not otherwise excluded.

Additional Coverages

Unless otherwise stated, the following Additional Coverages are provided only if a Limit Of Insurance for such Additional Coverages is shown in the Declarations.

Construction Works Awaiting Delivery

We will pay for direct physical loss or damage to **construction works** while at temporary locations awaiting delivery to the construction jobsite of an **insured construction project** caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Construction Works Awaiting Delivery shown in the Declarations.

Construction Works Awaiting Delivery does not include while:

- at the construction jobsite of an **insured construction project** or within 1,000 feet of such construction jobsite;
- at any premises you own, lease or operate, or within 1,000 feet of such premises; or
- on the premises of any manufacturer or supplier, or within 1,000 feet of such premises.

Additional Coverages

(continued)

Construction Works In Transit

We will pay for direct physical loss or damage to **construction works** while **in transit**, including shipments by registered mail, caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Construction Works In Transit shown in the Declarations.

This Additional Coverage also includes direct physical loss or damage to **construction works** while **in transit** which is caused by or results from fraud perpetrated by any person or persons who represent themselves to be the proper party or parties to receive goods for shipment or accept goods for delivery, not to exceed the applicable Limit Of Insurance for Construction Works In Transit shown in the Declarations.

Debris Removal

We will pay for the costs you incur to remove debris of damaged **construction works** from the construction jobsite of an **insured construction project** caused by or resulting from a peril not otherwise excluded.

We will also pay for the costs you incur to remove debris of damaged **construction works** while **in transit** caused by or resulting from a peril not otherwise excluded.

A. The most we will pay for debris removal is the lesser of:

1. 25% of the covered direct physical loss or damage; or
2. the remaining applicable Limit Of Insurance for Construction Works shown in the Declarations after payment of the covered direct physical loss or damage.

B. If the amount in A. above is insufficient to pay the debris removal, we will pay the remaining debris removal, subject to the applicable Limit Of Insurance for Debris Removal shown in the Declarations.

Debris removal will be paid only if reported to us in writing within 180 days of the date of the direct physical loss or damage to the **construction works**.

Debris removal does not apply to costs to:

- clean up or remove **pollutants** from air, land or water, either inside or outside of a building or other structure; or
- clean up, remove, restore or replace polluted air, land or water, either inside or outside of a building or other structure.

Fire Department Service Charges

We will pay the charges you assume by contract or agreement executed prior to loss, or charges that you are required to pay by local ordinance if the fire department is called to save or protect your **construction works** from direct physical loss or damage caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Fire Department Service Charges shown in the Declarations.

Inventory Or Appraisals

We will pay for the cost of inventory or appraisal that we require from you to determine the extent of direct physical loss or damage to **construction works**, not to exceed the applicable Limit Of Insurance for Inventory Or Appraisals shown in the Declarations.

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Additional Coverages

(continued)

Pollutant Clean Up Or Removal

We will pay the costs you incur to clean up or remove **pollutants** from air, land or water, either inside or outside of a building or other structure, at the construction jobsite of an **insured construction project** if:

- the **pollutants** were part of **construction works**; and
- the discharge, dispersal, seepage, migration, release, or escape of the **pollutants** is caused by or results from a peril not otherwise excluded.

We will also pay the costs you incur to clean up or remove **pollutants** from air, land or water, either inside or outside of a building or other structure, if:

- the **pollutants** were part of **construction works** while **in transit**; and
- the discharge, dispersal, seepage, migration, release, or escape of the **pollutants** is caused by or results from a peril not otherwise excluded.

The costs will be paid only if they are reported to us in writing within 180 days of the date the peril occurred which caused or resulted in the discharge, dispersal, seepage, migration, release or escape of the **pollutants**

The applicable Limit Of Insurance shown in the Declarations for Pollutant Clean Up Or Removal is the most we will pay for the sum of all such covered costs caused by or resulting from perils not otherwise excluded that occur during each separate 12 month policy period, regardless of whether this Additional Coverage appears in any other contract or contracts that form part of this policy.

We will not pay for the costs to test for, monitor, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **pollutants**, other than payment for testing which is performed during the clean up or removal of the **pollutants** from the air, land or water, either inside or outside of a building or other structure.

Temporary Construction Works

We will pay for direct physical loss or damage to **temporary construction works** caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Temporary Construction Works shown in the Declarations.

The loss or damage must occur at the construction jobsite of an **insured construction project**, or within 1,000 feet of such construction jobsite, unless otherwise stated.

Attachment And Termination Of Coverage

Coverage applies to **construction works** for all **insured construction projects** which begin during the policy period shown in the Declarations.

Coverage begins, subject to all other terms, conditions and limitations of this policy, when you first become responsible for the **construction works**, and not before the effective date of this Contract.

Coverage ends when the first of the following occurs:

- A. your interest in the **construction works** ceases;
- B. this policy or contract expires or is cancelled. However, expiration or cancellation of this policy or contract shall not end coverage provided for **construction works** for any **insured construction projects** which are already insured by this contract at the time this policy or contract expires or is cancelled unless:

Attachment And Termination Of Coverage
(continued)

1. you notify us that cancellation or expiration applies to existing **insured construction projects**; or
 2. we notify you that cancellation or expiration applies to existing **insured construction projects**;
- C. the **construction works** are accepted by the owner or purchaser;
- D. **hot testing** begins; or
- E. the **construction works** begins to be used for the purposes for which it was designed and constructed.

Exclusions

Acts Or Decisions

This insurance does not apply to loss or damage caused by or resulting from acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

Artificial Currents

This insurance does not apply to loss or damage caused by or resulting from artificially generated electric currents.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

Design

This insurance does not apply to loss or damage caused by or resulting from error, omission or deficiency in design, plan, specification or surveying.

Disappearance

This insurance does not apply to loss or damage caused by or resulting from disappearance or shortage disclosed upon taking inventory, where there is no physical evidence to show what happened.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

Dishonesty

This insurance does not apply to loss or damage caused by or resulting from fraudulent, dishonest, or criminal acts or omissions committed alone or in collusion with others by you, your partners, directors, trustees, and employees or by anyone authorized to act for you, or anyone to whom you have entrusted covered property for any purpose.

This exclusion does not apply to:

- A. acts of vandalism;
- B. acts committed by carriers for hire, or anyone claiming to be a carrier for hire, other than:
 1. you, your partners, directors, trustees and employees; or
 2. anyone authorized to act for you;
- C. acts committed by a warehouseman for hire, other than you, your partners, directors, trustees, and employees or anyone authorized to act for you; or
- D. ensuing loss or damage unless another exclusion applies.

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Exclusions

(continued)

Governmental Action

This insurance does not apply to loss or damage caused by or resulting from seizure, confiscation, expropriation, nationalization or destruction of property by order of governmental authority, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

This exclusion does not apply to loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this insurance.

Insects Or Animals

This insurance does not apply to loss or damage caused by or resulting from nesting or infestation by, or discharge or release of waste products or secretions of:

- insects;
- birds;
- rodents; or
- other animals.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

Latent Defect

This insurance does not apply to loss or damage caused by or resulting from latent defect or any quality within the **construction works** which causes loss or damage to it.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

Loss Of Market

This insurance does not apply to loss or damage caused by or resulting from loss of market, loss of use or delay.

This exclusion does not apply:

- to ensuing loss or damage unless another exclusion applies; or
- to the extent of any soft costs insurance, loss of rents insurance, advance loss of profits insurance, business income insurance or extra expense insurance provided by a separate contract or endorsement forming a part of this policy.

Mechanical Breakdown

This insurance does not apply to loss or damage caused by or resulting from mechanical breakdown of that property.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

Exclusions

(continued)

Nuclear Hazard

This insurance does not apply to loss or damage caused by or resulting from nuclear reaction or radiation, or radioactive contamination, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

This exclusion does not apply to ensuing loss or damage caused by or resulting from fire, if the fire would be covered under this insurance.

Ordinance Or Law

This insurance does not apply to loss or damage caused by or resulting from the enforcement of any ordinance, law or order of governmental authority regulating the construction, repair, replacement or demolition of buildings or structures.

Penalties

This insurance does not apply to loss or damage due to, caused by or resulting from penalties for non-completion or delay in completion of contract or non-compliance with contract provisions.

Planning, Zoning Or Site Selection

This insurance does not apply to loss or damage (including the cost of correcting or making good) caused by or resulting from any faulty, inadequate or defective planning, zoning or site selection.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

Pollutants

This insurance does not apply to:

- A. loss or damage caused by or resulting from the mixture of or contact with property and a **pollutant** when such mixture or contact causes the property to be impure and harmful to:
1. itself or other property;
 2. persons, animals or plants;
 3. air, land or water; or
 4. any other part of an environment,

either inside or outside of a building or other structure. This exclusion applies regardless of any other cause or event that directly or indirectly:

1. contributes concurrently to;
2. contributes in any sequence to; or
3. worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

But Paragraph A. does not apply to:

1. the mixture of or contact between property and **pollutants** if the mixture or contact is directly caused by or directly resulting from a **specified peril**;

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Exclusions

Pollutants (continued)

2. the mixture of or contact between property you own, use or operate and **pollutants** if:
 - a. the **pollutants** were part of or emitted from such property; and
 - b. the mixture of or contact between such property and **pollutants** is directly caused by or directly resulting from direct physical loss or damage to such property directly caused by or directly resulting from a peril not otherwise excluded;
3. a gas, water or other liquid which escapes from processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems (other than underground oil tanks, underground piping or underground tubing) provided such gas, water or other liquid is intended to be contained in such processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems;
4. any solid, liquid or gas used to suppress fire;
5. water which:
 - a. backs up or overflows through sewers, drains or sump;
 - b. seeps or leaks through basements, foundations, roofs, walls, floors or ceilings of any building or other structure; or
 - c. enters doors, windows or other openings in any building or other structure.

Paragraphs 2 through 4 above do not apply to loss or damage involving:

1. radon or any other naturally occurring gaseous irritant or contaminant;
2. organisms or micro-organisms including bacteria, fungus, mold, or their spores or products; or
3. viruses or other pathogens; or

- B. any increase in costs, loss or damage associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants** regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

But Paragraph B. does not apply to the Additional Coverage, Pollutant Clean Up Or Removal.

Settling And Cracking

This insurance does not apply to loss or damage caused by or resulting from settling, subsidence, cracking, shrinking or expansion of pavements, foundations, walls, floors, roofs or ceilings.

This exclusion does not apply to:

- loss or damage caused by or resulting from mine subsidence or sinkhole collapse; or

Exclusions

Settling And Cracking (continued)

- ensuing loss or damage unless another exclusion applies.

Steam Boilers, Furnaces, Turbines And Pressure Vessels

This insurance does not apply to loss or damage caused by or resulting from explosion, implosion, rupture or bursting of steam boilers, steam turbines, steam engines, flywheels, auxiliary pressure vessels, including piping connected thereto, or furnaces.

This exclusion:

- shall only apply to loss or damage to the steam boiler, steam turbine, steam engine, flywheel, auxiliary pressure vessel, including piping connected thereto, or furnace and not to other **construction works**; and
- does not apply to ensuing loss or damage unless another exclusion applies.

War And Military Action

This insurance does not apply to loss or damage caused by or resulting from:

- war, including undeclared or civil war;
- warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

Warranties And Guarantees

This insurance does not apply to loss or damage caused by or resulting from any cause of loss or damage to the extent that such loss or damage is covered by any warranty or guarantee made by you or any contractor, subcontractor, manufacturer or supplier.

Wear And Tear

This insurance does not apply to loss or damage caused by or resulting from wear and tear or gradual deterioration.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

Workmanship And Materials

This insurance does not apply to loss or damage (including the cost of correcting or making good) caused by or resulting from faulty or defective workmanship, materials, maintenance or construction.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

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Coverage Territory

The coverage territory is anywhere within, and in transit within and between the continental limits of the United States of America, Hawaii, Puerto Rico, territories and possessions of the United States of America, and Canada, excluding waterborne shipments:

- to or from Alaska, Hawaii, or Puerto Rico;
- to or from territories or possessions of the United States of America; or
- which pass through, or which are intended to pass through, the Panama Canal.

Limits Of Insurance

The most we will pay in any one occurrence is the amount of loss or damage, not to exceed the applicable Limit Of Insurance shown in the Declarations, regardless of whether any Coverage, Extension Of Coverage or Additional Coverage appears in any other contract or contracts which form a part of this policy.

Deductible

We will pay the amount of loss or damage in excess of the applicable deductible amount shown in the Declarations for each occurrence.

Except for any deductible for Soft Costs, Loss of Rents, Advance Loss of Profits, Business Income or Extra Expense shown in the Declarations, if two or more deductibles apply to the same occurrence, only the largest single deductible will apply, unless otherwise stated.

Loss Payment Basis

Subject to the applicable Limit Of Insurance for Construction Works shown in the Declarations **construction works** is valued on a replacement cost basis as described below, unless:

- the Loss Payment Basis shown in the Declarations is actual cash value; or
- otherwise stated under Loss Payment Basis Exceptions.

Our Loss Payment Options

In the event of loss or damage covered by this insurance, at our option we will either:

- pay the covered value of the lost or damaged **construction works**;
- pay the cost of repairing or replacing the lost or damaged **construction works**, plus any reduction in value of the repaired item;
- take all or any part of the **construction works** at an agreed or appraised value; or
- repair or replace the **construction works** with other **construction works** of comparable material and quality for the same use.

Replacement Cost Basis

Lost or damaged **construction works** will be valued at the full cost to repair or replace it at the time of loss or damage, including customs duties incurred, but not more than you actually spend to repair or replace the **construction works** at the same or another location for the same use. There is no deduction for physical deterioration, depreciation, obsolescence or depletion.

If you do not repair or replace the **construction works**, we will only pay as provided under Actual Cash Value Basis.

Loss Payment Basis

Replacement Cost Basis (continued)

If you commence the repair or replacement of the lost or damaged **construction works** within 24 months from the date of the loss or damage, we will pay you the difference between the actual cash value previously paid and the replacement cost at the time of loss or damage.

Actual Cash Value Basis

If the Loss Payment Basis shown in the Declarations is actual cash value, lost or damaged **construction works** will be valued at the full cost to repair or replace it on the date of loss or damage with material of like kind and quality, less allowance for each of the following:

- physical deterioration;
- depreciation;
- obsolescence; and
- depletion.

Loss Payment Basis Exceptions

Temporary Construction Works

Temporary construction works are valued on an Actual Cash Value Basis if they must be repaired or replaced in order for you to complete construction.

If **temporary construction works** do not have to be repaired or replaced in order for you to complete construction, they are valued at their scrap value.

Conditions

Abandonment

There can be no abandonment of any **construction works** to us unless we specifically agree to such abandonment in writing.

Impairment Of Rights Of Recovery

Except as provided in the condition of this Contract entitled Waiver Of Subrogation, any act or agreement by you, either before or after loss or damage, which limits your right to recover for the loss or damage to **construction works** from the party which is liable for the loss or damage, shall render coverage provided by this Contract void but only with respect to such loss or damage. Our right to retain the premium shall not be affected. We are not liable for any claim for loss or damage which you have settled or compromised without our written consent. But you may accept ordinary bills of lading, shipping receipts or warehouse receipts issued by carriers for hire and warehousemen for hire which limit their liability to less than the full value of the **construction works**.

Loss Payable

For insured **construction works** in which both you and a Loss Payee shown in the Declarations have an insurable interest, we will:

- adjust losses with you;
- pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

Contractor's Open Builders' Risk

Conditions

(continued)

Loss Payment

- A. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this insurance, and
1. we have reached agreement with you on the amount of loss; or
 2. an appraisal award has been made.
- B. We will not pay you more than your financial interest in the covered **construction works**.
- C. We may adjust losses with the owners of lost or damaged **construction works** if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' **construction works**. We will not pay the owners more than their financial interest in the insured **construction works**.
- D. We may elect to defend you against suits arising from claims of owners of **construction works**. We will do this at our expense.

Occupancy

Construction works shall not be occupied for its intended purpose without our written consent. Failure to obtain our written consent shall void coverage provided by this Contract during the period of occupancy.

Use of the **construction works** for temporary construction offices, or for the storage of **construction works** shall not constitute occupancy.

Other Insurance

If you have other insurance against loss or damage covered by this policy, we shall not pay any amount greater than the proportion that the applicable Limit Of Insurance shown in the Declarations bears to the total applicable limits of insurance covering the loss or damage.

Recovered Construction Works

If any lost or damaged **construction works** is recovered by you or us after a loss payment is made, the party making the recovery must give the other party prompt notice.

If any lost or damaged **construction works** has a salvage value, we shall control the disposition of such salvage.

When **construction works** is recovered, you may:

- keep the recovered **construction works** and return the loss payment to us; or
- keep the loss payment and we will keep the recovered **construction works**.

If any recovered **construction works** has salvage value, or if there is any money recovered through subrogation, we will reimburse you from the amount recovered for:

- the deductible amount that was paid;
- the penalties you paid as a result of Coinsurance, if applicable, or any applicable reporting condition of this insurance; and
- any uninsured loss resulting from an insufficient Limit Of Insurance.

Conditions

Recovered Construction Works (continued)

If there are any expenses in recovering any lost or damaged **construction works**, or through subrogation, we will share the expenses with you in proportion to the amount we are each reimbursed.

Waiver Of Subrogation

We will have no rights of subrogation against:

- any Named Insured;
- any person or entity which is an Additional Insured under this Contract;
- any other person or entity provided you have waived your rights of subrogation against them in writing prior to loss or damage but only to the extent of such written waiver.

You may not waive your rights of subrogation against any common carrier or public warehouseman for hire.

Who Is Insured

You are the Named Insured.

If you are required by a signed construction contract to insure **construction works** against physical loss or damage for your benefit and for the benefit of:

- the principal and/or the principal's representative(s) and/or any architect, consulting engineer or designer, the principal and/or the principal's representatives and/or architect, consulting engineer or designer are an Additional Insured as their interests may appear;
- your subcontractors and sub-subcontractors of every tier, your subcontractors and sub-subcontractors of every tier are Additional Insureds but only with respect to work they are performing for you under such signed construction contract and only if the value of their work has been included in the contract value declared to us.

If you are the principal and are required by a signed construction contract to insure **construction works** against physical loss or damage for your benefit and for the benefit of any architect, consulting engineer, designer, contractor, subcontractor and/or sub-subcontractor, such architect, consulting engineer, designer, contractor, subcontractor and/or sub-subcontractor is an Additional Insured but only with respect to work being performed for you under such construction contract and only if the value of their work has been included in the contract value declared to us.

Contractor's Open Builders' Risk

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Construction Works

Construction works means materials, supplies, machinery and equipment which you own, or which is owned by others and for which you are legally liable, to be used in and become a permanent part of the construction, reconstruction, erection, expansion, fabrication, renovation or repair of an **insured construction project**.

Construction works does not mean:

- A. accounts, bills, deeds, evidences of debt, plans, blueprints, drawings, or other valuable papers or records;
- B. aircraft, motor vehicles, trailers, semi-trailers or watercraft;
- C. contractors' or subcontractors' equipment, machinery and tools, trailers, materials and supplies of a similar nature not intended to be used in and become a permanent part of the construction, reconstruction, erection, expansion, fabrication, renovation or repair of an **insured construction project**;
- D. existing property or preconstructed property of others to which alterations, improvements, renovations or repairs are being made;
- E. land, land value or water except excavations, grading or fillings unless loss or damage to such property is caused by or results from the discharge, dispersal, seepage, migration, release or escape of **pollutants**;
- F. **landscaping** unless:
 - 1. the full value of **landscaping** has been included in the contract value declared to us; and
 - 2. loss or damage is directly caused by fire, lightning, explosion, smoke, riot, strikers or locked-out workmen, civil commotion or aircraft; or
- G. money, notes or securities.

Hot Testing

Hot testing means:

- commissioning or performance testing;
- any testing involving the introduction of flammable or explosive feedstock beginning when such feedstock is first introduced; or
- the rotational operation of any turbine or generator, except for rotational operation by turning gear only when the turbine or generator is not energized.

Hot testing does not mean the commissioning or performance testing of building:

- heating;
- cooling;
- air handling; or
- electrical, systems.

Definitions

(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:**Insured Construction Project**

Insured construction project means a construction project which you have contracted to perform provided:

- the construction jobsite is located within the Geographic Scope shown in the Declarations under Contractor's Open Builders' Risk;
- the construction activities being performed are within the Scope Of Operations shown in the Declarations under Contractor's Open Builders' Risk;
- the original contract value, at the time construction actually begins, is less than or equal to the Contractor's Open Builders' Risk Automatic Limit Of Insurance shown in the Declarations under Contractor's Open Builders' Risk; and
- you are required to provide insurance against physical loss or damage to **construction works** under the terms and conditions of a construction contract which you have signed prior to beginning construction activities,

unless otherwise stated.

In Transit

In transit means being shipped by air, surface or waterborne conveyance from the time beginning:

- when, if shipped from your premises in or on conveyances you own, lease or operate, the **construction works** departs your premises;
- when, if shipped from premises of others in or on conveyances you own, lease or operate, the **construction works** is transferred into your care, custody or control; or
- when the **construction works** is actually moved from the point of shipment bound for a specified destination, if shipped in or on any other conveyance;

and ending:

- when the **construction works** is accepted by, or on behalf of, the consignee at the intended destination;
- when the **construction works** is accepted by, or on behalf of, the consignee at any intermediate point short of reaching the original intended destination;
- at such point where you, or the owner of the **construction works** if other than you, order the **construction works** stopped and held pending instructions. However, this does not apply to **construction works** while in the custody of a carrier for hire and which is being held at a location, other than the intended destination, by such carrier's "on-hand" department for a period not to exceed 30 days; or
- when, if shipped to your premises in or on conveyances you own, lease or operate, the **construction works** arrives at your premises.

In transit includes ordinary, reasonable, and necessary stops, interruptions, delays, or transfers incidental to the route and method of shipment but not while at premises you own, lease or operate.

In transit also includes the period of time during which:

- there is a substantial and unauthorized deviation from the normal route by a carrier for hire; or
- the contract of carriage is, without your knowledge, abandoned en route by a carrier for hire, its agent, or its driver.

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Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

In Transit (continued)

In transit does not mean:

- A. **construction works** shipped by mail, unless shipped by registered mail;
- B. import shipments, within the Coverage Territory, until such time as ocean marine insurance has ceased to cover such property;
- C. export shipments once:
 - 1. loaded on board any steamer or other watercraft; or
 - 2. ocean marine insurance has begun to cover such property,whichever first occurs; or
- D. **construction works** owned by others when you are acting as a carrier for hire.

Landscaping

Landscaping means plants, trees, shrubs, lawns and seeds which are planted as part of the construction project and used for decorative purposes or to control erosion.

Pollutants

Pollutants means:

- any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fibers, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be disposed of, recycled, reconditioned or reclaimed;
- organisms or micro-organisms including bacteria, fungus, mold, or their spores or products; or
- viruses or other pathogens.

Specified Peril

Specified peril means:

- aircraft or self-propelled missiles;
- explosion;
- fire or lightning;
- leakage from fire protection equipment;
- mine subsidence;
- riot or civil commotion;
- sinkhole collapse;
- smoke;
- vandalism;

Definitions**WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:****Specified Perils**
(continued)

- vehicles;
- volcanic action; or
- wind or hail.

Temporary Construction Works

Temporary construction works means scaffolding erection costs (but not scaffolding), formwork, falsework and temporary structures necessary for the completion of the construction project provided their full cost is charged to the project and included in the contract value declared to us.

Temporary construction works does not mean:

- A. accounts, bills, deeds, evidences of debt, plans, blueprints, drawings, or other valuable papers or records;
- B. aircraft, motor vehicles, trailers, semi-trailers or watercraft;
- C. contractors' or subcontractors' equipment, machinery and tools, trailers, materials and supplies of a similar nature not intended to be used in and become a permanent part of the construction, reconstruction, erection, expansion, fabrication, renovation or repair of an **insured construction project**;
- D. existing property or preconstructed property of others to which alterations, improvements, renovations or repairs are being made;
- E. land, land value or water except excavations, grading or fillings unless loss or damage to such property is caused by or results from the discharge, dispersal, seepage, migration, release or escape of **pollutants**;
- F. **landscaping** unless:
 - 1. the full value of **landscaping** has been included in the contract value declared to us; and
 - 2. loss or damage is directly caused by fire, lightning, explosion, smoke, riot, strikers or locked-out workmen, civil commotion or aircraft; or
- G. money, notes or securities.