

## Product: Combined Construction Liability

Manufacturer Information	
<b>Product information</b>	
<p>The Combined Construction Liability product is a comprehensive, modular insurance solution tailored for the construction sector, including contractors, builders, and specialist trades. It provides core protections such as Employers' Liability, Public and Products Liability, Property Damage, and Contract Works, with optional extensions for tools, hired-in plant, and business interruption. Designed to meet regulatory standards and industry best practice, the product supports risk management through clear conditions and compliance requirements. It is typically sold to micro-enterprises through to large commercial contractors via regulated brokers, offering flexibility to align cover with project size and complexity.</p> <p>This product is designed to deliver fair value by combining multiple essential covers under one policy, reducing administrative burden and ensuring tailored protection for construction risks.</p> <p>The product provides a broad range of insurance coverages specifically designed for construction businesses, combining multiple essential protections under one policy. Core sections include:</p> <ul style="list-style-type: none"> <li>• <b>Employers' Liability</b> - Mandatory cover for legal liability arising from injury or illness to employees during the course of employment.</li> <li>• <b>Public and Products Liability</b> - Protection against third-party bodily injury or property damage claims, including liability for completed operations.</li> <li>• <b>Property Damage</b> - Cover for buildings, contents, and stock against insured perils such as fire, theft, and accidental damage.</li> <li>• <b>Contract Works</b> - Insurance for works in progress, materials, and temporary structures against physical loss or damage during construction.</li> <li>• <b>Tools, Plant, and Equipment</b> - Cover for owned and hired-in plant, machinery, and tools used on-site or in transit.</li> </ul> <p>Optional extensions and endorsements allow tailored protection, including:</p> <ul style="list-style-type: none"> <li>• <b>Business Interruption</b> – Compensation for loss of income following insured property damage.</li> <li>• <b>Hired-in Plant</b> – Cover for legal liability and continuing hire charges for hired equipment.</li> <li>• <b>Legal Expenses and Professional Fees</b> – Costs associated with defending claims or reinstating damaged property.</li> <li>• <b>Specialist Extensions</b> – Such as crime cover, environmental clean-up, and additional liability for subcontractors.</li> </ul> <p>The policy is modular, enabling customers to select coverages aligned to their project size, risk profile, and contractual obligations. It is supported by clear conditions and exclusions, including hot works precautions, compliance with health and safety regulations, and subcontractor insurance requirements. This structure ensures comprehensive risk management, regulatory compliance, and flexibility for contractors from micro-enterprises to large commercial firms.</p>	
<b>Target market</b>	
<p>The product is designed for commercial entities operating within the construction sector, ranging from micro-enterprises to large contractors. Key characteristics of the target market include:</p> <ul style="list-style-type: none"> <li>• <b>Industry Focus</b> – Businesses engaged in construction, refurbishment, civil engineering, and related trades requiring multi-risk insurance solutions.</li> <li>• <b>Risk Profile</b> – Customers exposed to property, liability, and contractual risks inherent in construction projects, including those with subcontractor involvement.</li> <li>• <b>Size and Complexity</b> – Suitable for small firms with straightforward needs as well as mid-sized and large enterprises managing complex projects with higher contract values.</li> <li>• <b>Regulatory Awareness</b> – Customers who understand or operate under local regulatory frameworks and health &amp; safety obligations.</li> </ul>	

- **Insurance Sophistication** – Typically advised by regulated brokers, ensuring informed purchasing decisions for modular and tailored cover.
- **Geographic Scope** – Primarily EEA domiciled risks, with capacity for certain international projects (excluding USA and sanctioned territories).

The product is not intended for private individuals or businesses outside the construction sector. It is structured to deliver flexibility, compliance, and fair value for professional contractors seeking comprehensive protection under one policy.

#### Types of customer for whom the product would be unsuitable

The product is not appropriate for:

- **Private Individuals or Domestic Customers** – It is designed exclusively for commercial construction businesses, not for personal or household use.
- **Businesses Outside the Construction Sector** – Companies not engaged in building, civil engineering, refurbishment, or maintenance activities will not benefit from the cover.
- **Risks in Restricted Jurisdictions** – The product cannot be distributed in the USA (including Puerto Rico and U.S. territories) or any sanctioned territories due to regulatory and compliance restrictions.
- **Customers Seeking Cover for Excluded Risks** – Such as defective design, gradual deterioration, asbestos, PFAS, or cyber-related exposures unless specifically endorsed.
- **Entities Without Adequate Risk Management Practices** – Businesses unable or unwilling to comply with health and safety obligations, hot works precautions, or subcontractor insurance requirements.

This ensures the product remains aligned with its intended purpose: providing tailored, fair-value protection for professional construction firms operating within approved jurisdictions and regulatory frameworks

#### Any notable exclusions or circumstances where the product will not respond

The policy includes standard market exclusions and specific conditions designed to manage high-risk activities and ensure compliance with safety standards. Key exclusions include:

- **Asbestos and PFAS** – No cover for liability or costs arising from asbestos or per- and polyfluoroalkyl substances.
- **Communicable Diseases** – Excludes losses related to outbreaks or fear of disease transmission.
- **Cyber and Data Risks** – No cover for losses arising from cyber incidents or data breaches (except where specifically endorsed).
- **Nuclear, War, and Terrorism** – Excludes damage or liability caused by nuclear events, war, or terrorism.
- **Defective Design or Workmanship** – No cover for costs to rectify defective design, materials, or workmanship.
- **Gradual Deterioration and Wear & Tear** – Excludes inherent vice, corrosion, rust, and similar gradual causes.
- **Jurisdictional Restrictions** – Cover is not provided for risks located in the USA, its territories, or sanctioned countries.

Key conditions include:

- **Hot Works Precautions** – Mandatory fire safety measures when using welding or cutting equipment.
- **Subcontractor Insurance Requirements** – Bona fide subcontractors must maintain their own liability insurance.
- **Joint Code of Practice Compliance** – Required for projects exceeding £1m in value.
- **Security and Maintenance Obligations** – Specific requirements for securing unoccupied premises and safeguarding plant.
- **Health & Safety Compliance** – Insured must adhere to statutory regulations and maintain risk management practices.

These exclusions and conditions are clearly signposted in the policy wording and communicated during the sales process to ensure transparency and prevent customer misunderstanding.

#### **Other information which may be relevant to distributors**

This product should be sold in line with FCA regulations and can only be sold by a regulated insurance distributor.

Where Distributor 1 sells this Product via multiple other distributors (via sub-delegation or sub broking), it is their responsibility to ensure all distributors have been provided this document, have reviewed it and understand the content. If there is any additional remuneration, including commissions, fees or other 'non-standard' remuneration charged to the customer by other distributors, it is the responsibility of Distributor 1 to inform TMK of these details accurately and in full.

Sales journeys must identify customer eligibility and ensure that key information and choices to be made are presented to customers in a way that supports a customer through the process of understanding core cover and configuring optional elements of insurance to suit their specific demands and needs.

This product can be sold face to face, via telephone, electronic communications or a mix of these methods, as long as customers are provided with sufficient information to make an informed decision regarding the suitability of the product.

This product can be sold with or without advice in line with FCA regulations or local regulations if the distributor is regulated outside of the UK.

#### **Commission & Fees**

If there is a coverholder in the chain, they are expected to ensure that maximum commission rates do not exceed those stipulated within the Binding Authority Agreement.

The coverholder is expected to maintain oversight of all broker commissions (where applicable) and, where there may be a risk to product value, remedial action should be taken immediately including notification to Tokio Marine Kiln.

Brokers are reminded of their own regulatory obligations in relation to remuneration under PROD 4.3.6 as well as the requirements to make all necessary disclosures to the customer.

Where there are any fees charged by any member of the distribution chain these should be:

- commensurate with the service provided by the distribution.
- not have an adverse impact on customer value; and
- distributor should ensure that TMKS is made aware of the fee amount and/ or method of calculation.

#### **How value is assessed**

Value is assessed based on a number of metrics, including underwriting, claims and complaints information as well as through broker and coverholder engagement.

Remuneration paid as set out in our agreements with distributors has been considered as part of the value assessment.

If additional add-ons (including premium finance) are sold alongside this product or additional remuneration is charged, this may affect the value for the customer.

Further information on our product approval processes can be obtained on request.

Date Fair Value assessment completed	December 2025
Expected date of next assessment	June 2026