



CONTRACT GUARANTEE

Specialist
Underwriters
ECIC

Guarantee Certificate

On behalf of Members of the Lift and Escalator Industry Association ("LEIA") and subject to the terms and conditions of the LEIA Contract Guarantee (Ref: LEIACG052014) and the limits hereon The Electrical Contractors' Insurance Company Limited ("the Insurer") hereby certifies and provides guarantee to the Claimant in respect of Contracts entered into by the Member

Member: **Apex Lift & Escalator Engineers Ltd**

Effective Period
For Contracts entered into between these dates:

From: **1/5/2014** To: **30/4/2015**

Contract Value Limit: **£1,757,000**

Signed for and on behalf of the insurer:

R S Brown Managing Director

The Member hereby agrees:

- (a) that this Guarantee in respect of their Work be provided to Claimants, and
- (b) to comply with the Relevant Standards when performing the Contract, and
- (c) to repay to the Insurer all sums paid by the Insurer, including Consultants and/or Loss Adjusters fees and disbursements and/or legal costs and disbursements, incurred as a result of a valid claim under this Guarantee.

Signed for and on behalf of the Member:

(signature)

Date: **17/11/14**

Member's Contract Reference: **RQ 69803**

THIS GUARANTEE CERTIFICATE IS NOT VALID UNLESS SIGNED BY THE MEMBER

Guarantee Agreement

To be completed by the party with whom the Member is in Contract

We hereby accept this Guarantee

Signed for and on behalf of: _____
(Name of party)

Signature: _____ Date: _____

THE PARTY WITH WHOM THE MEMBER IS IN CONTRACT MUST ACCEPT AND SIGN THIS GUARANTEE AGREEMENT IF THE GUARANTEE IS TO BE ENFORCEABLE

The completed Guarantee Certificate is to be retained by the party with whom the Member is in contract and will be required to evidence a claim against this Guarantee

Financial Services & Markets Act 2000

Only parties authorised by the Financial Conduct Authority may mediate on specific insurance contracts. In respect of the LEIA Contract Guarantee the Member acts solely as the introducing sub-agent of the Insurer and the activities they may perform on behalf of the Insurer are restricted to the provision of the Guarantee Certificate and Terms and Conditions documents. The Member is not permitted to explain the LEIA Contract Guarantee on the Insurer's behalf. All questions about the LEIA Contract Guarantee must be directed to the Insurer:

ECIC, ECA Court, 24 South Park, Sevenoaks, Kent TN13 1DU

Tel: [REDACTED] e-mail: ecic.bonds@ecinsurance.co.uk

Please read the Important Information on the reverse of this Certificate

RYD00031772/1

RYD00031772_0001

LEIA Contract Guarantee – Important Information

About our Insurance Service

The Electrical Contractors' Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. Our Financial Services Register Number is 202123. Our Permitted Business is effecting and carrying out contracts of insurance. You can check this on the Financial Services Register by visiting the FCA's web site www.fca.org.uk or by contacting the FCA on [REDACTED]

We only offer our own products. We will provide information on our products but you will not receive any advice or recommendation from us concerning their suitability for your needs.

All documentation provided will be in English unless otherwise agreed by us.

Your Demands and Needs

This product meets the demands and needs of those who require a conditional guarantee to replace retention deduction in respect of contracts for certain lift or escalator work performed by members of the Lift and Escalator Industry Association.

keyfacts

What is the LEIA Contract Guarantee?

The LEIA Contract Guarantee is underwritten by the Electrical Contractors' Insurance Company Limited ("ECIC"). This is a brief summary outlining the cover we provide and does not form part of the terms and conditions of the LEIA Contract Guarantee. For full details of the terms, conditions and exceptions that apply please refer to the Terms and Conditions document. If you have any questions about these products please call [REDACTED] or e-mail us at ecic.bonds@ecinsurance.co.uk.

The LEIA Contract Guarantee is a two-part conditional guarantee that replaces the system of retention deduction for lift or escalator work performed by Members of the Lift and Escalator Industry Association. The Guarantee applies to new installations, modernisation, refurbishment or renovation work in the UK and Isle of Man. It does not apply where the member's contract price exceeds the Contract Value Limit on their Guarantee Certificate.

Part one applies prior to practical completion and protects against additional costs incurred to complete the work should the member be in breach of their contract for the specified reasons defined in the Guarantee and, as a result, fail to complete their work. It will not apply where the specified reason was caused by your failure to pay the member for their work (see part one, clauses 1 and 3). To be valid claims must be notified within 30 days of the breach or termination of the member's employment under their contract.

Part two is solely intended to protect against the cost of rectifying the Member's work should it fail to comply with the industry standards defined in the Guarantee. It does not cover other economic or consequential loss caused by the member's work (see part two, clause 3). The Guarantee Period is 12 Months from practical completion (see Definition of Completion). Claims must be notified within this period if they are to be valid.

Where a valid claim exists we will usually settle it by arranging for the incomplete or defective aspects of the installation to be completed or rectified at no further expense to you. The most we will pay to achieve this is stipulated in the Terms and Conditions of the Guarantee.

The Lift and Escalator Industry Association on behalf of its members funds the Guarantee. No premium is payable by you or attributable to your contract with the member.

The law applicable to the LEIA Contract Guarantee is as follows:

- the law applicable to that part of the United Kingdom, Guernsey, Jersey or Isle of Man in which the Claimant has their principal place of business, or
- the law applicable to that part of the United Kingdom, Guernsey, Jersey or Isle of Man in which the Claimant normally resides if the Claimant has contracted with the Member in their capacity as a private individual and not in the course of a business, or
- the Law of England and Wales if neither a) or b) above applies.

How to Claim

To notify a claim please call [REDACTED] or e-mail us at ecic.claims@ecinsurance.co.uk.

Alternatively you can write to us at ECIC Claims, ECA Court, 24 South Park, Sevenoaks, Kent TN13 1DU.

Your Right to Cancel

If you are an individual who is acting for purposes which are outside of your trade, business or profession you have the right to cancel cover under the LEIA Contract Guarantee. If you decide that you wish to cancel the cover you must do so within 14 days starting on the day after you receive the completed Guarantee documentation. You should be aware that no refund of premium will be paid.

To cancel please write to: ECIC Underwriting Unit, ECIC, ECA Court, 24 South Park, Sevenoaks, Kent TN13 1DU.

Customer Care

ECIC is committed to maintaining a high standard of professional conduct in all our dealings with customers.

However if you feel that your Guarantee arrangements have not been handled in the manner in which you would expect and you wish to make a complaint, please contact the Manager of the department you have been dealing with. We will ensure that the matter receives immediate attention. You will be sent a copy of our Complaints Handling Procedure.

If you feel that the matter has not been settled to your satisfaction you may write to the Managing Director, ECIC, ECA Court, 24 South Park, Sevenoaks, Kent TN13 1DU.

If you are not satisfied with our investigation and conclusion of your complaint or eight weeks have passed since initially making your complaint and you are an individual consumer or small business you may refer the matter to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR.

The Financial Services Compensation Scheme ("FSCS")

We are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on your status, the type of business and the circumstances of the claim.

Further information about compensation scheme arrangements is available from the FSCS at enquiries@fscs.org.uk.

LEIA CONTRACT GUARANTEE

TERMS AND CONDITIONS

REF: LEIACG052014

To be read in conjunction with the Guarantee Certificate and Guarantee Agreement as part of these Terms and Conditions

These Terms and Conditions do not take away the statutory rights of any consumer

PART ONE

Prior to Practical Completion of the Main Contract

Subject to the Completion Limit the Insurer will indemnify the Claimant if, prior to Completion, the Member is in breach of Contract for a Specified Reason and/or for such reason fails to complete his Contract.

Completion Limit: The lower of

- (a) The value reflecting the percentage retention in the Member's Contract up to a maximum of 5% or,
- (b) £100,000

Terms and Conditions Applicable to Part One

1. If, prior to Completion, a Member is in breach of Contract for a Specified Reason, and/or for such reason fails to complete his Contract, the Insurer will indemnify the Claimant against the Additional Cost of Completion of the Work to be performed under that Contract, provided that:
 - 1.1 The Work was to be performed in the Specified Territories, and
 - 1.2 The Member had been engaged under an Approved Form of Contract, and
 - 1.3 The Member's original contract price did not exceed the Contract Value Limit shown on the Guarantee Certificate.
2. The Insurer's liability in respect of any one Contract shall not exceed the Completion Limit as applicable to that Contract. Should more than one contract be issued in respect of various related or sequential works the combination of all such contracts shall be considered as the Contract for the purposes of this Guarantee.
3. The Insurer shall not be liable where the Specified Reason was substantially caused by the unreasonable withholding of money due under the Member's Contract.
4. To be valid, any claim must be notified by the Claimant to the Insurer within 30 days of the breach or termination of the Member's employment under the Contract (whichever occurs earlier), with evidence of the Specified Reason. The Claimant must promptly supply any further information reasonably required by the Insurer.
5. The new LEIA (or other) contractor to complete the Work shall be mutually acceptable to the Insurer and the Claimant. Alternatively, the Insurer at its discretion may elect to pay the Claimant a cash sum, up to the Completion Limit, to discharge its liability under this Guarantee.

PART TWO

Defects Liability Period

Subject to the Work Limit the Insurer guarantees that if any Work fails to comply with the Relevant Standards the Work shall be rectified so that it will comply with such standards.

Work Limit: The lower of

- (a) The value reflecting the percentage retention in the Member's Contract up to a maximum of 2½% or,
- (b) £50,000

Guarantee Period: 12 Months commencing from Completion

Terms and Conditions Applicable to Part Two

1. The Insurer guarantees that if any Work carried out by a Member in the Specified Territories fails to comply with the Relevant Standards, such Work will be rectified to comply with such Relevant Standards, provided that the Member's original contract price did not exceed the Contract Value Limit shown on the Guarantee Certificate.
2. The Insurer's liability in respect of any one Contract (including any incidental costs and expenses) shall not exceed the Work Limit. Should more than one contract be issued in respect of various related or sequential works the combination of all such contracts shall be considered as the Contract for the purposes of this Guarantee.
3. The insurer will not be liable in respect of any:
 - i) Reduction in value or loss of enjoyment, use, income or opportunity, inconvenience, distress or any other consequential or economic loss except as specifically provided for in this guarantee, or
 - ii) Loss for which the Claimant is indemnified by some other guarantee or insurance.
4. No claim shall be effective unless and until the Insurer is satisfied that the Claimant has given the contracting Member a reasonable opportunity of rectifying any alleged failure by the Member to comply with the Relevant Standards.
5. For a claim to be valid it must be notified by the Claimant to the Insurer within the Guarantee Period and in accordance with the procedures set out below.
6. A valid claim will be dealt with as follows:
 - 6.1 After notifying a claim, the Claimant must supply such supporting information as the Insurer may reasonably require to evidence whether any Work fails to comply with the Relevant Standards.
 - 6.2 The Insurer reserves the right to appoint a Consultant to inspect and make a written report on the Work to establish where, if at all, the Work fails to meet the Relevant Standards, and what, if anything, needs to be done to rectify it so as to comply with the Relevant Standards.
 - 6.3 Where it is established that any of the Work needs to be rectified, the Insurer will at its option arrange for this to be done for the Claimant either by the Member or any other LEIA (or other) contractor at no expense to the Claimant and the Claimant must allow reasonable access for this purpose. The chosen contractor shall be mutually acceptable to the Insurer and the Claimant. Alternatively, the Insurer at its discretion may elect to pay the Claimant a cash sum, up to the Work Limit, to discharge its liability under this Guarantee.
7. The Insurer's liability in respect of any rectification work carried out under this Guarantee will expire at the time limits set out for the original Work as detailed under clause 5 above.



LEIA CONTRACT GUARANTEE

REF: LEIACG052014

GENERAL CONDITIONS

Applicable to Part One and Part Two

1. This Guarantee is underwritten by the Electrical Contractors' Insurance Company Limited ("the Insurer") and is offered as its agent by the Lift and Escalator Industry Association ("LEIA"), and by any Member of LEIA (acting as sub-agent of ECIC solely for the purpose of issuing copies of this Guarantee and the Guarantee Certificate), to all those who have Work done by the Member. The limits, terms, conditions and definitions of this Guarantee cannot be altered except by the express agreement in writing of the Insurer to whom all correspondence and claims must be addressed.
2. Acceptance and signature by the Member of the Guarantee Certificate is required for this Guarantee to be in force.
3. In scope this Guarantee is to apply to all Work where there is a requirement within the Contract for a guarantee of this nature to be in force in lieu of retention monies. The Insurer will not be liable where there is no such guarantee requirement within the Contract.
4. The Insurer's maximum liability under this Guarantee in respect of all claims arising from any one Contract shall not exceed the Completion Limit.
5. The Claimant must credit the Insurer with any sums that the Claimant can recover or lawfully retain from the Member. If the Insurer so requires the Claimant must assign to the Insurer any rights of recovery against any party in relation to the Work to the extent of the indemnity provided hereunder.
6. Where a claim is covered under this Guarantee that would otherwise be covered by some other bond guarantee or insurance, the Insurer shall only indemnify its rateable proportion.
7. This Guarantee shall be governed, interpreted and construed in all respects according to the law applicable to, and subject to General Condition 8 the parties hereto agree to submit the subject matter of this Guarantee to the jurisdiction of the Courts of
 - (a) that part of the United Kingdom or Isle of Man in which the Claimant has their principal place of business, or
 - (b) that part of the United Kingdom or Isle of Man in which the Claimant normally resides if the Claimant has contracted with the Member in their capacity as a private individual and not in the course of a business, or
 - (c) England and Wales if neither (a) or (b) above applies.
8. Any dispute or difference arising under, or the interpretation or effect of, this Guarantee shall be referred under the Arbitration Acts to an Arbitrator either agreed between the Claimant and the Insurer, or if not so agreed within 14 days, appointed on the application of either of them by the President of the Chartered Institute of Arbitrators.
9. A person or company who is not a party to this Guarantee has no right under the Contracts (Rights of Third Parties) Act 1999 (or any amending or subsequent legislation) to enforce any term of this Guarantee but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

DEFINITIONS

Applicable to Part One and Part Two

Additional Cost of Completion

- (a) Is the difference, if any, on subtracting the amount that would have been due to the Member for all Outstanding Work, including projected fluctuations if applicable, due on Outstanding Work, under the terms of the Member's Contract, from the new contractor's price for the same Outstanding Work including the rectification of any defects to executed Work and fluctuations, if applicable.

Outstanding Work is Work already ordered or instructed but not yet physically performed or delivered to site at the time of the Member's failure for a Specified Reason.
- (b) No account shall be taken of damages, contra-charges, economic or consequential loss or set-off and the Insurer reserves the right to employ a suitably qualified Consultant to determine all amounts due.

Approved Form

The form of contract used must:

1. be appropriate to the Members' contractual relationship for the Work in question (i.e. main/direct contractor or sub-contractor)
2. not impose more onerous or less beneficial terms on the Member in respect of payment, set-off (withholding of payment), retention, suspension and determination than the following:
 - (a) the final date for payment shall not be more than 42 days from when payment becomes due.

- (b) any set-off terms shall be solely confined to matters in respect of the Contract in question.
 - (c) the Contract shall not permit the deduction of retention monies, this Guarantee standing as security in lieu of such retentions.
 - (d) rights of both suspension and of determination of the Contract must exist and shall require no more than 28 days notice to be given by the Member.
- For the avoidance of doubt, the existence of novation rights in relation to the Contract shall not affect the Claimant's right to indemnity under this Guarantee.

The Claimant

The party with whom the Member is in contract for the Work or the party, if any, responsible for re-appointment of a sub-contractor, or If the Member is employed as a sub-contractor and his contracting party is unable or fails to act, the building owner, or Subsequent owners who are purchasers of the whole building.

Note: Rights under this Guarantee may be transferred as a result of an assignment of the Contract for the Work.

Completion

Where required in the Contract, the practical completion of the main/principal contract.

When the Contract is itself the main/principal contract it is the practical completion of the Work.

When the Contract has no provision for practical completion it is the completion or terminal date under the Contract.

Contract

The term "Contract" includes a sub-contract or sub-sub-contract.

The Contract must be entered into during the effective period stated on the Guarantee Certificate.

The Contract will be considered as being "entered into" when either:

- (a) the Member's tender is accepted by the issue of instructions to proceed, or
 - (b) the Contract is signed
- whichever occurs earlier.

The Contract and the instructions to proceed must be in writing.

Member

Any Member of LEIA in possession of a currently valid Guarantee Certificate issued by the Insurer in relation to this Guarantee.

Relevant Standards

Standards of

1. materials, only where the Member assumes responsibility for their specification, selection or approval under the Contract
2. workmanship

being or equivalent to those recommended or required by any of the following at the time of making the Contract:

- (a) Applicable British Standards or British Standard Codes of Practice.
- (b) Applicable national standards implementing European Standards.
- (c) The Lift Regulations 1997 or other statutory provisions that are directly relevant to the Work and required under the Contract.

Specified Reason

Failure to comply with the Relevant Standards, or insolvency.

Specified Territories

The United Kingdom of Great Britain, Northern Ireland, Guernsey, Jersey and the Isle of Man.

Work

Any lift, escalator, passenger conveyor, stairlift, hoist or similar fixed mechanical/electrical installation for transport of persons and/or goods in and/or around a building, including associated activities, design, testing, inspection and maintenance of such installations, to be performed under a Contract, including any goods and materials to be supplied and/or incorporated therein; subject to the following:

- (a) the work must be in respect of a Contract for a new installation, or for modernisation, refurbishment or reconstruction;
- (b) work is excluded which involves:
 - (i) solely design, maintenance, service and/or repair of existing installations, or
 - (ii) export orders for goods or services to be supplied beyond the Specified Territories.