

Outright Model Corrosion Exclusion

1. For the purposes of this exclusion, Corrosion shall mean any change in any material and/or its properties by reason of any chemical or electrochemical process or reaction between the said material and the environment or conditions to which it is subjected.
2. Insurers shall have no liability under this policy for any loss, damage or detriment, nor for any cost or expense, that would not have occurred or arisen but for the occurrence or existence of Corrosion, whether such Corrosion operates concurrently or consecutively with any other cause, and whether or not such other cause is insured hereunder.

Limited Model Consequences of Corrosion Exclusion

1. For the purposes of this exclusion, Corrosion shall mean any change in any material and/or its properties by reason of any chemical or electrochemical process or reaction between the said material and the environment or conditions to which it is subjected.
2. Insurers shall have no liability under this policy for any loss, damage or detriment, nor for any cost or expense, that would not have occurred or arisen but for the occurrence or existence of Corrosion, whether such Corrosion operates concurrently or consecutively with any other cause, and whether or not such other cause is insured hereunder, EXCEPT ONLY as is expressly provided in the following paragraphs of this clause.
3. Notwithstanding the provisions of paragraph 2 hereof, in any case where:
 - (a) insured property has suffered Corrosion during the policy period solely and directly caused by an identified, external, abnormal, single and instantaneous event; and
 - (b) such event was fortuitous and caused by a peril insured against (and being not otherwise excluded) under this policy;then insurers will indemnify the insured with respect to any resulting loss or damage suffered during the policy period to any different and covered insured property in consequence of such Corrosion (including where such consequent loss or damage itself takes the form of Corrosion).
4. Nothing in the foregoing paragraph of this clause shall be deemed to provide cover in the case of corrosion caused or resulting from any defect in design, plan, specification, materials or workmanship, save in so far as the same is not expressly excluded elsewhere in this policy.

Model Consequences of Corrosion Exclusion

1. For the purposes of this exclusion, Corrosion shall mean any change in any material and/or its properties by reason of any chemical or electrochemical process or reaction between the said material and the environment or conditions to which it is subjected.
2. Insurers shall have no liability under this policy for any loss, damage or detriment, nor for any cost or expense, that would not have occurred or arisen but for the occurrence or existence of Corrosion, whether such Corrosion operates concurrently or consecutively with any other cause, and whether or not such other cause is insured hereunder, EXCEPT ONLY as is expressly provided in the following paragraphs of this clause.
3. Notwithstanding the provisions of paragraph 2 hereof, in any case where:
 - (a) insured property has suffered Corrosion during the policy period; and
 - (b) such Corrosion was fortuitous and caused by a peril insured against (and being not otherwise excluded) under this policy;then insurers will indemnify the insured with respect to any resulting loss or damage suffered during the policy period to any different and covered insured property in consequence of such Corrosion (including where such consequent loss or damage itself takes the form of Corrosion).
4. Nothing in the foregoing paragraph of this clause shall be deemed to provide cover in the case of corrosion caused or resulting from any defect in design, plan, specification, materials or workmanship, save in so far as the same is not expressly excluded elsewhere in this policy.

Guidance Notes

LEG CE 1/19 – Outright Model Corrosion Exclusion

This clause serves to fully exclude any loss or damage occurring due to corrosion.

Paragraph 1

For the purposes of this clause, the first paragraph provides a definition of Corrosion to which the clause will apply. The definition is based on the NACE (National Association of Corrosion Engineers) industry definition.

Paragraph 2

This paragraph sets out the principle exclusion language which addresses the following corrosion scenarios:

- Corrosion which occurs as a consequence to any other event whether insured or not
- Corrosion which occurs in parallel with any other event whether insured or not

LEG CE 2A/19 – Limited Model Consequences of Corrosion Exclusion

This clause serves to exclude any loss or damage occurring due to corrosion subject to a "buy back" of cover in respect of consequential Corrosion caused by an identified, external, abnormal, single and instantaneous fortuitous event.

Paragraph 1

For the purposes of this clause, the first paragraph provides a definition of Corrosion to which the clause will apply. The definition is based on the NACE (National Association of Corrosion Engineers) industry definition.

Paragraph 2

This paragraph sets out the principle exclusion language which addresses the following corrosion scenarios:

- Corrosion which occurs as a consequence to any other event whether such event is insured or not
- Corrosion which occurs in parallel with any other event whether such event is insured or not

Paragraph 3

Paragraph 3 describes the cover "buy back" element of the clause in which cover is provided for loss or damage caused as a direct consequence of Corrosion provided that the Corrosion directly results from an identified, external, abnormal, single and instantaneous event which is fortuitous and not otherwise excluded by the policy.

Coverage under this "buy back" provision does not however extend to the insured property which has suffered Corrosion directly due to the aforementioned event.

Paragraph 4

The final paragraph addresses any potential conflict between the corrosion buy back event being a defect and the defect exclusion language adopted elsewhere in the policy.

LEG CE 2B/19 – Model Consequences of Corrosion Exclusion

This clause serves to exclude any loss or damage occurring due to corrosion subject to a "buy back" of cover in respect of consequential Corrosion.

Paragraph 1

For the purposes of this clause, the first paragraph provides a definition of Corrosion to which the clause will apply. The definition is based on the NACE (National Association of Corrosion Engineers) industry definition.

Paragraph 2

This paragraph sets out the principle exclusion language which addresses the following corrosion scenarios:

- Corrosion which occurs as a consequence to any other event whether such event is insured or not
- Corrosion which occurs in parallel with any other event whether such event is insured or not

Paragraph 3

Paragraph 3 describes the cover "buy back" element of the clause in which cover is provided for loss or damage caused as a direct consequence of Corrosion provided that the Corrosion directly results from an event which is fortuitous and not otherwise excluded by the policy.

Coverage under this "buy back" provision does not however extend to the insured property which has suffered Corrosion directly due to the aforementioned event.

Paragraph 4

The final paragraph addresses any potential conflict between the corrosion buy back event being a defect and the defect exclusion language adopted elsewhere in the policy.