Insuring clauses 1 (Civil liability) and 2 (Deliverables) shall not apply but shall be replaced by the following:

1 Civil liability

for any amount up to the **Limit of Liability** in respect of **Loss** and **Defence costs** and **expenses** arising from a claim for any civil liability first made against **You** during the **Period of Insurance** and arising from the ordinary conduct of **Your Professional Business** but only in respect of the direct costs incurred by the claimant of:

- a) repairing or replacing any **Deliverables** designed, specified, supplied or installed by **You**
- b) re-performing or completing services provided or contracted to have been provided by **You**.

2 Deliverables

for any amount up to the **Limit of Liability** in respect of **Loss** and **Defence costs** and expenses arising from a claim made against **You** during the **Period of Insurance** and arising from the ordinary conduct of **Your Professional Business** for any breach of a contract for the design or supply of any **Deliverable** caused by:

- 2.1 any failure of any **Deliverable** to conform with a specification contained in or incorporated into a written contract where **You** have warranted in that contract that the **Deliverable** will conform with that specification or
- 2.2 any material defect in any Deliverable or
- 2.3 any failure of a **Deliverable** to meet any term that is implied by statute as to quality, safety or fitness for purpose

but only in respect of the direct costs incurred by the claimant only of:

- a) repairing or replacing any **Deliverables** designed, specified, supplied or installed by **You**
- b) re-performing or completing services provided or contracted to have been provided by **You**.