

# Policy Wording

## Commercial Combined

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## Introduction & Important Information

This insurance is designed to provide cover for **your** business assets.

The parties have entered into this contract in good faith and understand their respective obligations

There are certain obligations contained in this document that are important to us and that **We** rely upon **You** to comply with. The obligations clearly set out what **You** must do and what **You** must not do to ensure coverage under this **Policy** is not prejudiced.

**You** should note that if **You** do not comply with the obligations, in certain circumstances specific coverage will be excluded or the **Policy** may be considered void.

If **You** are unsure as to what an obligation means or **You** may not be able to comply with the terms **You** should consult with **Your** insurance advisor.

The Policy Wording defines what is covered under separate sections  
Within those Sections the extent of cover is explained together with obligations and exclusions specific to that Section.

Exclusions applying to the Policy are shown in the various sections and **We** will not pay a claim if these exclusions are applicable.

The Policy Conditions sets out certain rights and includes clauses that apply to the whole of the Policy.

The Policy Definitions provide the meaning to words and phrases wherever they appear in the Policy document. **You** will see words in bold which highlights that for the purposes of this Policy they are a definition.

The **Schedule** attaching to this Policy document will set out the period of this insurance and specify which Sections of this Policy document are operative including the **Sums Insured**.

The **Schedule** may also contain clauses additional to the Policy wording that **Underwriters** have imposed placing additional obligations on **You** and/or limiting coverage. The terms of those clauses will be attached to the Policy document in the form of an endorsement.

**You** will find our claims procedure on pages 5-9

In the unlikely event **You** feel that **You** need to make a complaint concerning this insurance **You** will find our complaints procedure on page 10

### Reading the Policy Wording

It is strongly recommended that **You** read the **Policy Wording** including the **Schedule** and any endorsements to ensure that the **Policy** meets with **Your** requirements.

In the event that the **Policy** does not meet with **Your** requirements and/or that **You** are unable to comply with any of the obligations, terms and conditions, **You** should immediately advise **Your** insurance advisor. The **Underwriters** will then decide whether or not to agree to a variation of the policy. However, the terms of the **Policy** will remain effective unless **Underwriters** have agreed to a variation in writing.

### Renewal

This **Policy** does not automatically renew. The **Policy** runs for the Period of Insurance as shown on Page 1 of your Commercial Combined Insurance **Schedule**. Renewal should be discussed with your Insurance broker/intermediary in advance of the renewal date shown on **Your** policy **schedule**.

## Policy Wording

This **Policy Wording** and any replacement **Schedule** and Statement of Fact to be read together as one document.

Any Section stated to be 'Not Insured' in the Schedule shall be inoperative.

This **Policy** is a legally binding contract which **You** have made with **Underwriters**.

In consideration of the payment by **You** of the premium specified in the **Schedule**, **Underwriters** agree (subject to the terms, conditions and exclusions of the **Policy**) to indemnify **You** against **Damage**, accident or injury occurring during the **Period of Insurance**.

Provided always that:-

- (i) The liability of the **Underwriters** shall not exceed the **Sums Insured** or limits of liability stated in the **Schedule** or such other **Sums Insured** or limits of liability as maybe substituted by endorsement or attached hereto;
- (ii) This **Policy** insures **You** only in respect of the sections where a **Sum Insured** or a limit of liability is specified in the **Schedule**.

Any dispute arising out of or in connection with this **Policy** shall be subject to and construed solely in accordance with the laws of England and Wales. **You** and the **Underwriters** agree that all disputes arising out of or in connection with the **Policy** shall be subject to the jurisdictions of the courts of England and Wales.

The written authority allows Touchstone Underwriting Limited to issue this Policy.

Touchstone Underwriting Limited is regulated and authorised by the Financial Conduct Authority (firm reference number 02264985). Touchstone Underwriting Limited are authorised to issue insurance policies on behalf of the **Underwriters**.

### Several Liability Clause

The liability of an insurer under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in this contract.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

### Identity of Insurers - as stated in the Policy Schedule

#### Who are MRS� Syndicate 457

Lloyd's Syndicate 457 which is managed by Munich Re Syndicate Limited, company number 01328742, whose registered office is 1 Fen Court, London, EC3M 5BN and which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### Who are Convex

Convex Insurance UK Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Firm Reference No. 840616).

Registered Office 52 Lime Street, London, EC3M 7AF.

Registered in England Number 11796392.

You can find this information on the Financial Conduct Authority's ("FCA's") website at [www.fca.org.uk](http://www.fca.org.uk) which includes a register of all the firms the FCA regulate or by calling the FCA on 0800 111 6768 (Call 0800 111 6768 (freephone) or 0300 500 8082 from the UK), or +44 207 066 1000 from abroad. The FCA are open from Monday to Friday, 8am to 6pm and Saturday 9am to 1pm.

### Who are ARAG

This section is provided by ARAG plc ("ARAG") who is authorised to administer this insurance on behalf of the **Insurer** ARAG Legal Expenses Insurance Company Limited. ARAG is registered in England number 02585818. Registered address Unit 4a, Greenway Court, Bedwas, Caerphilly CF83 8DW. ARAG is authorised and regulated by the Financial Conduct Authority, firm registration number 452369.

ARAG Legal Expenses Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FRN202106) and the Prudential Regulation Authority. Registered Address: Unit 4a, Greenway Court, Bedwas, Caerphilly CF83 8DW. Registered in England and Wales. Company Number 103274.

# Claims & Remedy Condition

**We** aim to settle valid claims promptly and fairly in accordance with the cover provided by this **Policy**.

**Your** claim will be managed from within a dedicated insurance claims team supported on certain occasions by a professional loss adjusting firm and/or a specialist services company to ensure **Your** claim is settled for the correct amount as quickly as possible.

It is important that **You**:

- a) have made a fair presentation of the risk and disclosed every material fact and circumstance, and
- b) **You** have complied with the obligations, terms and conditions contained in the **Policy** throughout this **period of insurance**

otherwise **Your** claim may not be paid.

If **You** submit a valid claim and it transpires that **You** have breached **Your** obligations of disclosure, or made a misrepresentation then following a breach of disclosure which is either deliberate or reckless **Underwriters** shall be entitled to

- i) avoid the contract, refuse all claims, and
- (i) retain the premiums paid

If **You** submit a valid claim and it transpires that **you** have breached your obligations of disclosure, or made a misrepresentation, then following a breach of disclosure which is neither deliberate or reckless **Underwriters** shall be entitled, if cover would have been offered, to

- (i) treat the contract as being entered into but the contract will be treated as if it had been entered into on those different terms (other than terms relating to premium), and
- (ii) <sup>1</sup>reduce proportionately the amount to be paid on a claim if **Underwriters** would have entered into the contract (whether the terms relating to matters other than the premium would have been the same or different), but would have charged a higher premium. If more than one **Premises** is stated in the **Schedule** the proportion of the premium charged for the **Premises** that has sustained **Damage** will be applied.

<sup>1</sup> reduce proportionately means that Underwriters need only pay on the claim X% of what otherwise they would have been under an obligation to pay under the terms of the Policy (or, if applicable, under the different terms provided for by virtue of paragraph (i)), where:

$$X = \frac{\text{Premium actually charged} \times 100}{\text{Higher Premium}}$$

# How to make a Claim (Sections 1 - 10: Property)

## Claims Procedure

Section 1 - Material Damage  
Section 2 - Deterioration of Stock  
Section 3 - Money & Assault  
Section 4 - Goods in Transit  
Section 5 - Loss of Licence  
Section 6 - All Risks - Specified Items  
Section 7 - Business Interruption  
Section 8 - Book Debts  
Section 9 - Additional Computer Cover  
Section 10 - Theft by Employee (Fidelity Guarantee)

If you need to make a claim please contact:

**MRSL Commercial c/o GHG Solutions Ltd,**

**Office address:**

MRSL Commercial c/o GHG Solutions Ltd  
Barclay's House  
20-24 Upper Market Street  
Eastleigh  
SO50 9FD

**Email:** [Touchstone\\_Claims@ghgsolutions.co.uk](mailto:Touchstone_Claims@ghgsolutions.co.uk)

**Telephone:** 02382 356 596

It will assist if **You** have details of **Your** policy available when telephoning

# How to make a Claim (Sections 11 - 14: Liability)

## Claims Procedure

Section 11 - Employers Liability

Section 12 - Public Liability

Section 13 - Products Liability

Section 14 - Pollution Liability

## Claims Information

This part of the Policy details the procedure to be followed when the Insured wishes to make a claim.

### 1. Claims Procedure

The Insured must:

- a. give written notice of a Claim or any incident that may give rise to a Claim under this Policy as soon as reasonably practicable and, in any event, within thirty (30) days of such knowledge using the following details:

Crawford & Company Adjusters (UK) Ltd

Address: 249 Midsummer Boulevard, Central Milton Keynes, Buckinghamshire, MK9 1YA

Email: [convexclaims@broadspiretpa.co.uk](mailto:convexclaims@broadspiretpa.co.uk)

Telephone: 01908 302011

- b. give all such additional information or documentation as the Underwriters, or their appointed agent, may require and continue to forward all such information and documentation immediately when they are received (until otherwise instructed). Every Claim, writ, summons or process and any other written notification of Claim and all documents relating thereto shall be forwarded unanswered to the Underwriters, or their appointed agent, immediately when they are received; and
- c. make no admission of liability, offer, promise, compromise or payment without the Underwriters' prior written consent or the prior written consent of their appointed agent.

In the event of a breach of terms clause 1. a) – c) above, the Underwriters shall refuse to pay a Claim under this Policy in its entirety.

- d. In the event of any Occurrence giving rise to any loss or damage insured under this Policy, the Insured must take such immediate action as is necessary to minimise the loss;
- e. The Underwriters shall be entitled to take over the conduct, in the name of the Insured, of the defence or settlement of any Claim or to issue in the name of the Insured but for the Underwriters' own benefit any claim for indemnity or Damages or otherwise. The Underwriters shall have full discretion in the conduct of any proceedings and in the settlement of any Claim and the Insured shall give all such information and assistance as the Underwriters may reasonably require;
- f. Where the Section trigger is shown as Claims Made and Notified in the Schedule, if a Circumstance occurring subsequent to the Section Retroactive Date and before the Expiry Date of the Policy is notified to Underwriters during the Policy Period and in accordance with this Policy Condition, the Underwriters will not deny any subsequent Claim arising out of that Circumstance solely because the Claim was made after the Expiry Date of the Policy.

## **2. Co-operation**

In addition to their obligations set out in Claims Procedure (above), the Insured shall at all times afford such information, assistance and cooperation to the Underwriters or their appointed agents as may be requested. In the event of a breach of this term, the Underwriters shall refuse to pay a Claim under this Policy in its entirety.

## **3. Document Retention**

In addition to their obligations set out in Claims Procedure (above), the Insured shall at all times ensure that all documentation relevant to a Claim or Circumstance are retained and not destroyed or disposed of. In the event of a breach of this term, the Underwriters shall refuse to pay a Claim under this Policy in its entirety.

# How to make a Claim (Section 15: Legal Expenses)

## Claims procedure

### Telling us about your claim

1. If an insured needs to make a claim, they must notify us as soon as possible.
2. If an insured instructs their own solicitor or accountant without telling us, they will be liable for costs that are not covered by this policy.
3. A claim can be made online at [www.arag.co.uk/newclaims](http://www.arag.co.uk/newclaims). Alternatively an insured can obtain a claim form by downloading one at [www.arag.co.uk/newclaims](http://www.arag.co.uk/newclaims) or by calling ARAG on 0330 303 1955 between 9am and 5pm weekdays (except bank holidays).
4. The completed application and supporting documentation can be submitted online or sent to ARAG by email or post. Further details are set out on ARAG's website.

### What happens next?

1. We will send the insured a written acknowledgment by the end of the next working day after receiving their claim.
2. Within five working days of receiving all the information needed to assess the availability of cover under the policy, we will contact the insured either:
  - a. confirming cover under the terms of this policy and advising the insured of the next steps to progress their claim; or
  - b. if the claim is not covered, we will explain in full the reason why and advise whether we can assist in another way.
3. When a representative is appointed they will try to resolve the insured's dispute without delay, arranging Alternative Dispute Resolution, such as mediation, whenever appropriate.
4. We will check on the progress of the insured's claim with the appointed advisor from time to time. Sometimes matters cannot be resolved quickly, particularly if the other side is slow to cooperate or a legal timetable is decided by the courts.

You can visit our website to see videos about making your claim and what happens next.

# Complaints Procedure (Sections 1 - 10: Property)

## Complaints Procedure - Sections 1 – 10 Inclusive as listed below:

Section 1 - Material Damage  
Section 2 - Deterioration of Stock  
Section 3 - Money & Assault  
Section 4 - Goods in Transit  
Section 5 - Loss of Licence  
Section 6 - All Risks - Specified Items  
Section 7 - Business Interruption  
Section 8 - Book Debts  
Section 9 - Additional Computer Cover  
Section 10 - Theft by Employee (Fidelity Guarantee)

**Our** aim is to ensure that all aspects of **your** insurance are dealt with promptly, efficiently and fairly. At all times **we** are committed to providing **you** with the highest standard of service.

If **you** wish to make a complaint, **you** can do so at any time by referring the matter to your intermediary or Touchstone Underwriting Limited). The address of Touchstone Underwriting Limited is:

Iveco House  
The Junction  
Station Road  
Watford  
WD17 1ET

Email: [servicedeliverymanager@t-u-l.co.uk](mailto:servicedeliverymanager@t-u-l.co.uk)

Telephone: 01923 298440

In the event of the situation not being resolved the **insured** may in certain circumstances contact the Complaints Department at Lloyd's at the following address:

Complaints  
Fidentia House, Walter Burke Way, Chatham Maritime  
Chatham, Kent. ME4 4RN

Telephone: 020 7327 5693

Fax No: 020 7327 5225

Email: [complaints@lloyds.com](mailto:complaints@lloyds.com)

Website: [www.lloyds.com/complaints](http://www.lloyds.com/complaints)

Details of Lloyd's complaints procedures are set out in a leaflet "Your Complaint - How We Can Help" available at [www.lloyds.com/complaints](http://www.lloyds.com/complaints) and are also available from the above address.

Please note the Unique Market Reference number relating to this Policy can be found on the top of the first page of your policy schedule.

If **you** remain dissatisfied after Lloyd's has considered **your** complaint, **you** may have the right to refer **your** complaint to the Financial Ombudsman Service (FOS).

The contact details for the FOS are:

The Financial Ombudsman Service  
Exchange Tower

London  
E14 9SR

Helpline: 0800 023 4567 (calls to this number are free from “fixed lines” in the UK) or 0300 123 9123 (calls to this number are charged at the same rate as 01 and 02 numbers on mobile phone tariffs in the UK).

Switchboard: 020 7964 1000

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Email [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

The FOS is an independent service in the UK for settling disputes between consumers and businesses providing financial services. **You** can find more information on the FOS at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

# Complaints Procedure (Sections 11 - 14: Liability)

## Complaints

For the purpose of interpreting this section concerning our Complaints Handling policy, Underwriters shall be referred to as “We”, “Us” and “Our”.

Our aim is always to provide the Insured with the best possible service. If the Insured feels that We have not provided the best possible service or made an error, then please advise Us in the first instance. We will take the Insured’s complaint seriously and do Our best to investigate and resolve it as quickly as possible. We have established the following complaints handling procedure to ensure that this happens.

### Step 1

Tell Us about it. There are different ways the Insured can do that.

1. Communicate with the Insured’s usual contact at Convex being either their Account Manager or Broker. Let them know that the Insured is dissatisfied with the service they have received and tell them why. The Insured can contact Us by email, telephone, or letter.

2. Contact Our complaints team:

[complaints@convexin.com](mailto:complaints@convexin.com)

Tel: +44 (0)7919 603210

Convex Insurance UK Limited  
52-54 Lime Street, London EC3M 7AG, United Kingdom

We will acknowledge the Insured’s complaint promptly and We will let the Insured know who will be handling their complaint and provide the Insured with their contact details.

### Step 2

We aim to resolve the Insured’s complaint as soon as possible. If it is complicated or We need to investigate the circumstances further, then We may not be able to resolve it straight away and it may take longer depending on its complexity. We aim to get to the Insured a final response within eight (8) weeks of receiving their complaint. If We cannot do so, then We will tell the Insured why it is taking more time and let the Insured know what We are doing and how long We expect it will take to resolve.

### Step 3

If the Insured is not happy with Our response, or actions, and feel that the matter has not been resolved to their satisfaction, then there are two options to take it further:

1. The Insured may be eligible to refer the complaint to the Financial Ombudsman Service, the “FOS”. Please note that there are time limits within which the Insured must contact the FOS (these limits have been mentioned previously in this Policy). Convex Insurance UK Limited needs to give the Insured their final response within eight (8) weeks of their complaint, at the most, depending on what the Insured has complained about. The Insured should get in touch with the FOS within six (6) months of receiving Convex Insurance UK Limited’s final response to your complaint.

The Financial Ombudsman Service  
Exchange Tower,  
London E14 9SR.

**Email:** [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

**Website:** <http://www.financial-ombudsman.org.uk>

Where the Insured is domiciled in the Channel Islands, they may additionally be eligible to refer their complaint to the Channel Islands Financial Ombudsman (CIFO).

The CIFO is a free service that resolves complaints about financial services provided in or from the Channel Islands of Jersey, Guernsey, Alderney and Sark. Further details are available from the CIFO, who may be contacted using the details below.

Channel Islands Financial Ombudsman (CIFO)  
PO Box 114  
Jersey  
Channel Islands  
JE4 9QG

Email: [enquiries@ci-fo.org](mailto:enquiries@ci-fo.org)  
Website: <http://www.ci-fo.org>  
Jersey local phone: 01534 748610  
Guernsey local phone: 01481 722218

2. Alternatively, the Insured may contact Lorraine Mullins, the Chief Compliance Officer of Convex Insurance UK Limited.

Email: [lorraine@convexin.com](mailto:lorraine@convexin.com) or write to the following address:

Convex Insurance UK Limited  
52 Lime Street  
London EC3M 7AF  
United Kingdom

## Our Commitment

All complaints are reported to, and overseen by, the Chief Compliance Officer. If We get a complaint or have done something wrong or failed to do something well, We will do our best to put it right and to learn from it by root cause analysis (this is where Convex Insurance UK Limited will sample a selection of complaints and what caused them then to address the causes of the complaints as explained further). We will make sure that We investigate and establish what went wrong and why. We will then work out what We need to do to prevent that happening in the future and consider whether any other customers could have been affected. Irrespective of whether We have had complaints We will report regularly on complaints and root cause analysis and remediation in Our management information to the executive management committees and to the Board of Convex Insurance UK Limited.

## Complaints Procedure (Section 15: Legal Expenses)

Complaints should be addressed to ARAG's Customer Relations Department who will arrange to have it reviewed at the appropriate level. They can be reached in the following ways:

**Post:** ARAG plc, Unit 4a, Greenway Court, Bedwas, Caerphilly CF83 8DW

**Telephone:** 0117 917 1561 (hours of operation are 9am-5pm, Mondays to Fridays excluding bank holidays. For mutual protection and training purposes, calls may be recorded).

**Email:** [customerrelations@arag.co.uk](mailto:customerrelations@arag.co.uk)

If ARAG are not able to resolve the complaint to your satisfaction, then you can refer it to the Financial Ombudsman Service (FOS) provided that it falls within their jurisdiction.

# Obligations

## Your Proposal

**You** have an obligation in **Your Proposal** to answer any questions honestly and accurately make a fair presentation of the risk and disclose every material fact and circumstance (a material fact or circumstance is material if it would influence the judgement of the **Underwriter** when considering whether to accept the risk and on what terms, conditions and premium) as otherwise **Underwriters** shall be entitled to remedy their position in accordance with the Claims and Remedy conditions..

These obligations apply to variations and continue throughout the period of this insurance including any subsequent period(s) of insurance granted by **Underwriters**.

Without prejudice to **Underwriters'** rights, if **You** are unsure as to what constitutes a fair presentation of risk, a material fact or circumstance, or if **You** have any questions concerning the **Policy** terms and conditions, **You** should check with **Your** insurance advisor.

The **Policy** contains important terms and conditions that must be complied with including but not limited to:

## Alteration in Risk

**You** must immediately notify **Underwriters** if the risk has altered:

- a) by removal of any fire and security protections or building component designed to prevent **Damage** to the **Property Insured**,  
or
- b) whereby the risk of **Damage** accident or liability is increased, or
- c) by the **Business** being wound up or carried on by a liquidator or receiver or permanently discontinued, or
- d) whereby **Your** interest ceases except by will or operation of law, or
- e) there is a change of trade or use at the **Premises**, or the **Buildings** become **Unoccupied**

otherwise the **Policy** will be treated as cancelled and all cover will terminate unless **You** have notified **Underwriters** of any such alteration(s) and at their option they have agreed to vary the **Policy**.

## Electrical Portable Appliance Testing

**You** must ensure the safety of electrical appliances owned by **You** or under **Your** control by:

- (i) Annual testing of appliances, to be carried out by competent personnel (in-house or outsourced)
- (ii) having all tested appliances labelled, whether passed or failed and having all testing recorded and kept for at least 5 years
- (iii) removing any equipment from the **Premises** that has failed testing unless it has been repaired by a qualified technician

otherwise all **Damage** arising from or caused by the **Defined Perils** of fire and explosion will be excluded.

## External Smoking

**You** must ensure that smoking is prohibited throughout the **Premises** except in specifically designated external areas and suitable notices to this effect are displayed in prominent positions. **You** must also ensure that metal receptacles are provided for waste materials and are kept at least 2 metres from the **Buildings** otherwise all **Damage** arising from or caused by **Defined Perils** of fire and explosion will be excluded and indemnity under will not operate.

## Fair Representation of Risk

**You** must provide to **us** a fair presentation of the risk at inception, renewal and variation of this **Policy**.

A “fair presentation of risk” means **you** must disclose to **us**

- (i) every material circumstance which **you** know or ought to know (including matters known to those responsible for **your** insurance, and, if **you** are not an individual, matters known to **Your** senior management) or
- (ii) sufficient information to put **us** on notice that **we** need to make further enquiries for the purpose of revealing those material circumstances and
- (iii) such disclosure is in a manner which would be reasonably clear and accessible to **us** and
- (iv) in which every material representation as to a matter of fact is substantially correct and every material representation as to a matter of expectation or belief is made in good faith.

A circumstance or representation is material if it would influence **our** judgement as a prudent insurer in determining whether to take the risk insured by this **Policy** and if so on what terms.

## Maintenance and Safety

It is important that **You** comply with requirements a) – d) below otherwise all **Damage** arising from or caused by the **Defined Perils** of fire and explosion will be excluded.

**You** must:

- a) if the **Premises** or any part thereof is let as residential accommodation **You** must comply with current gas safety regulations and laws at the commencement and throughout the currency of this insurance and be in possession of a current Gas Safety Policy issued by a Gas Safe registered engineer. Any necessary repairs and maintenance must be carried out promptly by a Gas Safe registered engineer
- b) if **You** are responsible for gas installations at commercial **Premises**, **You** must undertake annual maintenance checks and at the commencement and throughout the currency of this insurance be in the possession of a valid Gas Safety Policy issued by a Gas Safe registered engineer
- c) at the commencement of this insurance and throughout the currency of this insurance **You** must be in possession of a valid IEE test Policy that:
  - (i) covers the whole of the electrical installation(s)
  - (ii) issued by a contractor approved and registered with one of the following:  
National Inspection Council for Electrical Installation Contractors (NICEIC)  
Electrical Contractors Association (ECA)  
National Association of Professional Inspectors and Testers (NAPIT)  
Electrical Self Assessment (ELECSA)
  - (iii) documents that all C1 or C2 deficiencies or defects have been remedied
- d) in respect of any vessel, machinery or apparatus or its contents belonging to **You** or under **Your** control which is required to be examined to comply with any Statutory Regulations, such vessel, machinery or apparatus shall be the subject of:
  - (i) inspection(s) under contract, and
  - (ii) regular maintenance schedules

and **You** must be in the possession of such Policy of inspection and evidence of maintenance

## Minimum Security Requirements

It is important that **You** comply with requirements a) – d) below otherwise all **Damage** arising from theft or attempted theft and malicious persons will be excluded:

- a) **You** must ensure that all protections provided for the safety and security of the **Premises** shall be maintained in good order and shall not be withdrawn altered or varied without the prior consent of the **Underwriters** and shall be in full and effective operation when the **Premises**, including self-contained units are closed for business or left unattended, and at all other appropriate times
- b) **You** must ensure that any alarm and/or system forming part of the protections shall be maintained in full and efficient working order under a contract to provide both corrective and preventive maintenance with the installing company and/or in accordance with the manufacturer's recommendations
- c) **You** must ensure that;
  - (i) All external entry/exit doors are fitted with at least 5 lever mortice deadlocks complying to BS3621 or fitted with locking bars secured by five lever close shackle padlocks
  - (ii) All Windows and skylights that are accessible from the ground or basement level or from adjoining roofs, porches, walls, fire escapes or downpipes are either barred, grilled or fitted with key operated window locks
- d) **You** must notify **Underwriters** as soon as possible if **You** receive notice:
  - (i) that the police authority attendance or any contractually provided attendance in response to alarm signals and/or calls from any alarm system may be withdrawn or the level of response reduced or delayed or
  - (ii) from a Local Authority or Magistrate imposing any requirement for abatement of nuisance in respect of any alarm system or
  - (iii) that any alarm system cannot be returned to or maintained in full working order

following any such notice **You** will be responsible for the first 20% of any **Damage** caused by or arising from theft or attempted theft subject to a minimum contribution of £2,500 and **Underwriters** shall have the right to vary terms or cancel cover provided under this **Policy**.

## Reasonable Precautions

**You** must;

- a) take all reasonable precautions to prevent occurrences which may give rise to loss, destruction, **Damage**, accident or **Injury**
- b) take all reasonable steps to comply with statutory requirements, obligations and regulations imposed by any authority
- c) take immediate steps to make good or remedy any defect or danger which becomes apparent or take such additional precautions as circumstances may require
- d) when undertaking **Renovations** to the **Property Insured**, take all reasonable precautions to prevent **Damage**. **You** must not undertake **Building Works** without **Underwriters'** express written agreement.
- e) take all reasonable precautions to prevent **Injury** or **Damage** and the sale or supply of **Products** which are defective in any way
- f) exercise care in the selection and supervision of **Persons Employed**
- g) as soon as possible after discovering any defect or danger, this must be made good or remedied and in the meantime take any additional precautions as the circumstances require
- h) cease any activity that has given rise to the **Damage** or **Injury** or can reasonably be expected to give rise to further **Damage** or **Injury**.

- i) comply with all the terms and conditions of this **Policy** and ensure that any actions required by the **Policy** have been completed.

Failure to comply may result in **your** claim being declined or only paid in part.

# Section 1: Material Damage

## Cover and Basis of Settlement

**Underwriters** agree that if during the **Period of Insurance**, an item of **Property Insured** (other than **Stock**) at the **Premises** or as otherwise specified in the **Schedule**, sustains **Damage** following an **Insured Event** under this Section, then **Underwriters** will pay to **You**:

- (i) the **Cost of Reinstatement** of the **Property Insured** provided that reinstatement or replacement takes place in accordance with the **Reinstatement Conditions** set out below;
- (ii) Where reinstatement or replacement of the **Property Insured** does not take place in accordance with (i) above for any reason whatsoever the **Alternative Basis of Settlement Condition** will apply.

In respect of **Stock**, **Underwriters** agree that if, during the **Period of Insurance**, an item of **Stock** at the **Premises** sustains **Damage** following an **Insured Event** under this **Policy** they will pay to **You** the cost price less any adjustment for damaged, written down or obsolete **Stock**.

However, if, at the time of any **Damage** the **Stock Sum Insured** stated in the **Schedule** is less than the full value of the **Stock** the amount payable by the **Underwriters** will be proportionately reduced.

## Reinstatement Conditions

- (i) **Underwriters'** liability for the repair or replacement of **Property Insured** damaged in part only shall not exceed the amount which would have been payable had such property been wholly lost or destroyed.
- (ii) No payment beyond the amount which would have been payable in the absence of this **Reinstatement Basis of Indemnity** shall be made:
  - a. unless reinstatement commences within 12 months of **Damage** occurring unless otherwise agreed by **Underwriters**;
  - b. until the **Cost of Reinstatement** shall have been actually incurred;
  - c. if the **Property Insured** at the time of the **Damage** shall be insured by any other insurance effected by **You** or on **Your** behalf which is not upon the same basis of reinstatement.

Subject always to **Underwriters** liability not exceeding the limits and **Sum Insured/Limit of Indemnity** stated in the **Schedule**.

## Alternative Basis of Settlement Condition

Where **Cost of Reinstatement** is not applied **Underwriters** agree that if, during the **Period of Insurance**, an item of **Property Insured** at the **Premises** sustains **Damage** arising from an **Insured Event** under this Section 1 by a **Defined Peril** then **Underwriters** will pay **You**, whichever is the lesser of:

- i) the cost to reinstate, repair or replace such property or any part of it less an appropriate deduction for depreciation wear and tear, or
- ii) the diminution in value of the **Property Insured**,

or in the event settlement under i) or ii) above is not applied then **Underwriters** will make a suitable alternative measure of settlement.

Subject always to **Underwriters** liability not exceeding the **Sum Insured/Limit of Indemnity** stated in the **Schedule**.

## Limit of Indemnity

**Underwriters'** liability in respect of all incidents of **Damage** to an item of **Property Insured** during the **Period of Insurance** shall be limited as follows:

- (i) If an individual **Sum Insured** is specified on the **Policy Schedule** for that item, **Underwriters'** liability shall be limited to that **Sum Insured**;
- (ii) In any event, **Underwriters'** liability shall in no circumstances exceed, in the aggregate, the total **Sum Insured** for the category of **Property Insured** on the **Schedule** under which that item falls

But:

- (i) In the event that, at the time of **Damage** any **Buildings** are awaiting refurbishment, redevelopment or **Renovation**, then **Underwriters** shall not be liable for any costs which would have been incurred by **You** in the absence of such **Damage** as part of that work.
- (ii) In the event that, at the time of **Damage** any **Buildings** are the subject of an existing contract or order for demolition, then **Underwriters'** liability shall be limited to **Removal of Debris**.

## Definitions Specific to Section 1 - Material Damage

### Architects Surveyors Legal and Consulting Engineers Fees

The reasonable cost of employing architects, surveyors, lawyers and consulting engineers in the reinstatement or repair of the **Property Insured** consequent upon its **Damage** but not for preparing any claim.

### Cost of Reinstatement

- a) The rebuilding or replacement of property lost or destroyed which provided **Underwriters'** liability is not increased may be carried out:
  - (i) in any manner suitable to both **You** and the **Underwriters'** requirements
  - (ii) on another site agreed by both **You** and the **Underwriters**
- b) the repair or restoration of property damaged in either case to a condition and design equivalent to or substantially the same as but not better or more extensive than its condition when new.

Including an allowance for **Removal of Debris, European Community and Public Authorities, Architects Surveyors Legal and Consulting Engineers Fees**

### Public Authorities

Such additional cost of reinstatement as may be incurred solely by reason of the necessity to comply with the Stipulations of;

- a) Building or other Regulations under or framed in pursuance of any Act of Parliament or Bye Laws of any Public Authority (hereafter referred to as 'the Stipulations') which governs the construction, alteration and reinstatement of buildings.

Excluding;

- a) The cost incurred in complying with the Stipulations:
  - (i) in respect of **Damage** occurring prior to the granting of this **Policy**
  - (ii) in respect of **Damage** not insured by this Section

- (iii) under which notice has been served upon **You** prior to the **Damage** occurring.
  - (iv) for which at the time of **Damage** there is an existing requirement which must be implemented within a given period
  - (v) in respect of property entirely undamaged by any peril hereby insured against
- b) the additional cost that would have been required to make good the property **Damaged** to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen
  - c) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with the Stipulations.

#### Removal of Debris

Costs and expenses necessarily incurred by **You** with the consent of the **Underwriters** in;

- a) removing debris
- b) dismantling and/or demolishing
- c) shoring up or propping of the portions of the **Property Insured**
- d) clearing drains sewers and gutters at the **Property Insured**

as a result of **Damage** hereby insured against

The **Underwriters** will not pay for any costs or expenses;

- (i) incurred in removing debris except from the site of such property destroyed or **Damaged** and the area immediately adjacent to such site
- (ii) arising from pollution or contamination of property not insured by this Section

## Extensions Applicable to Section 1 - Material Damage

### Metered Utilities

Cover includes additional water, gas, electricity, oil or other metered supply charges incurred by the Insured up to an amount of £50,000 any one Period of Insurance, in consequence of Damage, but the Insurer will not pay for such charges incurred in respect of any Building which is Unoccupied.

The basis on which the amount payable is to be calculated will be the amount of the suppliers' charges for the period during which Damage occurs, less the charge paid by the Insured for the corresponding period in the preceding year, adjusted for charges in the suppliers' charges and for variations affecting consumption of the Insured during the intervening period.

### Capital Additions

Subject to **Damage** arising from an **Insured Event** under this **Policy Underwriters** agree to extend cover to include:

- a) any newly acquired and/or newly erected buildings or buildings in course of erection (excluding any property for which a building contractor is responsible) insofar as the same are not otherwise insured
- b) alterations, additions and improvements to buildings but not in respect of any appreciation in value anywhere in the United Kingdom

provided that;

- i) at any one situation this cover shall not exceed 25% of the **Sum Insured** by this Section but in no case exceeding £2,000,000
- ii) **You** undertake to give particulars of such extension of cover as soon as practicable and in any event within 6 months of any newly acquired and/or newly erected buildings or alterations, additions and improvements to buildings and to effect specific insurance thereon retrospective to the date of the commencement of the **Underwriters** liability

The provisions of this extension shall be fully maintained until such time **Underwriters** have agreed in writing to either include or decline to offer cover for such items described in ii) above.

### Extinguishment and Alarm Resetting Expenses Clause

**Underwriters** will pay **You** the reasonable costs incurred by **You** in refilling fire extinguishing appliances, replacing used sprinkler heads and resetting fire or intruder alarms as a result of **Damage** following an **Insured Event**.

### Freeholders, Lessors and Mortgagees

The Insurer agrees that the interest of any Freeholder, Lessee, Under Lessee and/or Mortgagee in respect of Buildings insured by this Section and which attached before the happening of any Damage shall be automatically noted in this insurance if requested by the Insured, but only to the extent that such interest is not otherwise insured and subject to their identity being disclosed in writing to the Insurer by the Insured in the event of Damage.

This insurance shall not be invalidated by any increase in the risk of Damage resulting from an alteration or act or omission which occurs without the authority or knowledge of any Freeholder and/or Lessor and/or Mortgagee, but this shall only protect the interest of such Freeholder, Lessor or Mortgagee and shall only apply if the Insurer is notified immediately on the party becoming aware of the increased risk and the payment of any reasonable additional premium is made.

### Reinstatement of Sum Insured

Following an **Insured Event** the **Sum Insured** by this Section will be automatically reinstated from the date of the loss unless written notice is given to the contrary either by the **Underwriters** or by **You** and **You** undertake to pay such necessary premiums as may be required for such reinstatement from that date.

## Services Clause

The insurance by each item of **Property Insured** extends to cover telephones, gas, water and electric instruments, meters, piping, cabling and accessories including similar property in the adjoining yards and roadways or underground (and pertaining to any **Building** insured by this section), all belonging to **You** or for which **You** are responsible.

## Temporary Removal Clause

The cover under this section (other than Stock if insured) is extended to include **Property Insured** whilst temporarily removed for cleaning **Renovation** repair or similar purposes elsewhere than at the **Premises** within the **Territorial Limits** of this **Policy**.

**Underwriters** liability under this clause shall be limited to £250,000 any one insured event.

This clause excludes;

- a) property insofar as it is otherwise insured
- b) property temporarily removed to motor vehicles and motor chassis licensed for normal road use
- c) property removed for more than 90 consecutive days unless **Underwriters** agree a longer period in writing

## Third Party Storage Sites

The insurance for each item of **Electronic/Computer Equipment**, **Stock**, and **All Other Contents**, where insured by this Section, includes such property while it is stored at third party storage locations within the United Kingdom, Channel Islands or the Isle of Man subject to the maximum liability of the Company not exceeding 25% of the sum insured or £150,000 in total whichever is less for all claims or series of claims, arising out of any one original cause, at any one location.

Cover includes theft or attempted theft involving forcible and violent entry into or exit from the **Building** excluding **Damage** in respect of jewellery, precious stones, precious metals, bullion or furs.

The cover provided by this Extension is subject to such property not being more specifically insured.

## Unauthorised Use of Utilities

**Underwriters** will pay **You** the cost of metered electricity, gas or water for which **You** are legally responsible arising from its unauthorised use by persons taking possession keeping possession or occupying the **Premises** without **Your** authority provided that **You** shall take all practical steps to terminate such unauthorised use as soon as it is discovered and provided further that the maximum amount payable under this Clause shall not exceed in any one **Period of Insurance** £35,000.

## Additional Extensions Requested (to make up to level of current policy coverage afforded)

### Contract Price

In respect only of goods sold but not delivered, for which the Insured remain responsible under the terms of a contract of sale, where such contract of sale is cancelled following **Damage** by reason of its conditions, either wholly or to the extent of the **Damage**, cover will be based on the contract price.

For the purpose of this clause the value of all goods to which this basis of settlement could apply in the event of **Damage** will also be ascertained on this basis. Average shall apply

### Contractors Interest

When the Insured is required by the terms or conditions of any contract to cover Buildings in the joint names of the Insured and of any contractor or sub-contractor named in such contract, the Insurer agrees to note such joint interests provided that the Insured shall notify the Insurer of details of any single contract valued at £200,000 or more in advance of commencement of the work, and pay any additional premium the Insurer may require.

## Contract Works

Cover for Buildings and Contents includes any permanent or temporary works undertaken in performance of any contract, including all unfixed materials and goods delivered to or placed on or adjacent to the Premises and intended for incorporation in such Contract Works, all for which the Insured are responsible under the terms of the contract up to an amount of £100,000 any one contract.

## Customers' Goods

If the Insured have represented to customers that they will accept responsibility for Damage to the goods of customers or to goods for which such customers may be legally responsible, the Insurer agrees that all such goods in the Premises will be covered as Stock except in so far as they are more specifically insured. Cover is in respect of Goods for which your customers are legally responsible and whilst temporarily in Your custody or control.

## Damage to the Premises

In the event that Buildings at the Premises are not covered by this Section of the Policy, the Insurer will pay costs for which the Insured are responsible, necessarily and reasonably incurred by the Insured to repair Damage to the Premises in consequence of theft or attempted theft (as insured by this Section).

The Insurer will also pay the cost of any temporary boarding-up or making good necessary to keep the Premises secure. Limit under this section any one loss £2,500

## Data Processing Media

In the event of Damage to Contents comprising Data Processing Media, the amount payable by the Insurer will be:

- a) the cost of purchasing blank Data Processing Media (without any Data thereon) to replace that which has been physically lost or destroyed; or
- b) the cost of repairing the Data Processing Media which has been physically damaged; and
- c) the costs of copying Data from back-up or from originals of a previous generation onto the replacement or repaired

Data Processing Media, provided always that this Policy will not cover:

- i any research and engineering costs;
- ii any costs of recreating, gathering or assembling Data;
- iii any reduction in value of data or any amount pertaining to the value of such Data, even if such data cannot be recreated, gathered or assembled or copied from back-up or originals of a previous generation.

If the Insured elects not to repair or replace Data Processing Media which has been Damaged, the amount payable by the Insurer will not include any of the costs set out at sub-clauses a to c and the basis of settlement shall instead be the difference between the re-sale value of the Data Processing Media without any Data on it immediately before the Damage and the re-sale value of the Data Processing Media without any Data on it immediately after the Damage.

The liability of the Insurer in respect of any one claim shall not exceed £25,000.

## Dismantling and Re-erection Costs

Cover includes the cost of dismantling, re-erection, fitting and fixing of Contents following Damage.

## Exhibitions

Property Insured is covered whilst at any exhibition within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands, including whilst in transit to and from such exhibition for a period not exceeding 15 days. The most the Insurer will pay in respect of any one exhibition is £50,000.

We will indemnify You in respect of Damage insured by this Section to Stock and Materials in Trade and/or Machinery and Plant while the maximum We will pay in respect of any one claim is £50,000 We will not indemnify You under this clause in respect of Damage.

- a) caused by or happening through
- b) defective or inadequate packing, insulation or labelling
- c) evaporation or ordinary leakage
- d) delay
- e) inadequate documentation
- f) shortage in weight.

### **Fire Extinguishers, Sprinklers and Security Equipment**

The Insurer will pay the reasonable costs incurred by the Insured in:

- a)** re-filling, recharging or replacing any fire extinguishers, local or fixed fire suppression or gas flooding systems, sprinkler installations and sprinkler heads
- b)** having any fire and/or intruder alarms and closed-circuit television equipment re-set in consequence of Damage, provided that
  - (i) the Insured maintain all such equipment under contract and in accordance with the manufacturer's instructions with a maintenance company acceptable to the Insurer
  - (ii) the Insurer shall not be liable in respect of any costs and expenses recoverable from the maintenance company or from the fire service
  - (iii) the liability of the Insurer in respect of any one claim shall not exceed £25,000

### **Fixed Glass and Neon/Illuminated Signs**

Cover extends to include Damage to fixed glass, glass shelves, showcases and counter cases, mirrors and neon/illuminated signs.

Following Damage to fixed glass or neon/illuminated signs the Insurer will pay the cost of

- a) any necessary boarding up or temporary glazing pending full replacement
- b) replacing alarm foil, lettering, painting, embossing, silvering or other ornamental work on glass
- c) damage to Contents or Stock caused by broken glass
- d) removing and re-fixing window fittings and other obstacles to replacing broken glass
- e) removing and re-fixing window fittings and other obstacles to replacing broken fixed glass.

The Insurer will not pay for Damage

- a) in respect of neon and illuminated signs
  - (i) arising from adjustment, repair, dismantling or erection of any part of the sign, or whilst such sign is removed from its normal working position
  - (ii) arising from mechanical breakdown of the sign or any part of the sign
  - (iii) to any part of the sign by its own ignition electrical breakdown or burn out
  - (iv) to tubes unless the glass is fractured
- b) existing prior to the inception of this Section

## Inadvertent Omission to Insure

The Insured having notified the Insurer of their intention to insure all property which they own or for which they are responsible situate within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands, with the Insurer (unless otherwise agreed in writing by the Insurer) from the inception date of this Section of the Policy and it being the Insured's belief that all such property is insured, then the Insurer agrees to extend cover under this Section so that if subsequently any such property is found to have inadvertently been left uninsured by the Insured during the Period of Insurance then the Insurer will deem such property to be insured by this Section, provided that:

- a) the maximum liability of the Insurer for any one claim in respect of Building and Contents in total shall not exceed £1,000,000 any one premises
- b) the Insured carry out at not less than 12 monthly intervals a check to ensure that effective insurance is in force for all property owned or leased by the Insured or for which the Insured are responsible
- c) the Insured shall give details in writing immediately an omission is discovered and within 30 days of the date of discovery shall provide the Insurer with the sums insured to apply for any such property, and effect specific cover retrospective to such date, and pay the appropriate additional premium
- d) in respect of any buildings purchased for refurbishment or redevelopment the Basis of Settlement upon which the amount payable shall be calculated shall be the value of the Property Insured at the time of the Damage, less an appropriate deduction for wear and tear and prior depreciation, and in respect of any buildings due for demolition the Basis of Settlement shall be limited to the costs associated with clearing and securing the buildings
- e) this Basis of Settlement Adjustment shall not apply in addition to any cover provided under the Alterations and Additions Basis of Settlement Adjustment or in respect of any appreciation in value

## Interested Parties

The Insurer agrees

- a. that without prejudice to rights and liabilities of the Insured or the Insurer, if at the time of Damage the Insured have contracted to sell their interest in any Building covered, and the purchase has not been but shall afterwards be completed, the purchasers on completion of the purchase shall be entitled to benefit under this Section until completion, except in so far as such Building is more specifically insured by or on behalf of the purchaser
- b. to note the interest of any party notifying their interest in any of the Property Insured in writing, the nature and extent of such interest to be disclosed in the event of Damage.

## Lamps, Signs and Nameplates

Damage to

- a) lamps
- b) signs
- c) nameplates at the Premises.

The Insurer will not indemnify the Insured in respect of Damage arising from

- (i) mechanical or electrical breakdown
- (ii) wear and tear
- (iii) corrosion or rot.

Limit any one loss £5,000

## Locks and Keys

The Insurer will pay the cost of replacing keys, locks or lock mechanisms necessary to maintain the security of the Premises following theft of keys by force or violence from within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands from any director, partner or employee of the Insured authorised to hold such keys, up to an amount of £5,000 for any one claim.

## Moulds, Tools and Dies

Cover includes moulds, tools, and dies belonging to the Insured or for which the Insured are responsible whilst at the Premises.

Cover also extends to include moulds, tools, and dies belonging to the Insured or for which the Insured are responsible whilst elsewhere than at the Premises at any premises within the United Kingdom not occupied by the Insured, including whilst in transit thereto and therefrom by road, rail or inland waterway providing that:

- a) Theft or Attempted Theft must involve forcible and violent entry to or exit from a building or
- b) Whenever moulds, tools and dies belonging to the Insured or for which the Insured are responsible are left in unattended vehicles owned or operated by the Insured, the Insured must ensure that:
  - (i) all security locks, alarms and other security devices are maintained in an efficient working condition
  - (ii) all doors are locked, windows and other openings closed and securely fastened and all intruder alarm installations and other security devices are made operative whenever the vehicles are left unattended
  - (iii) vehicles are contained in a securely locked building if left unattended overnight (overnight shall mean from 9.00pm, or whenever the vehicle was last occupied whichever is the earlier, to 6.00am or until the vehicle is first used whichever is the later).

The most the Insurer will pay in respect of any one claim is £100,000 but limited as follows:

- a) the value of the materials
- b) the cost of labour spent in reproducing them.

## Reinstatement to Match – Computer Equipment

Where computer equipment has suffered Damage to the extent that repair is impractical and replacement by similar property in a condition equal to but not better or more extensive than when new is impossible, then the Insured may replace, repair or restore the Property with equivalent property which employs current technology and replacement, repair or restoration with such property for the purposes of this Section shall not be regarded as being better or more extensive than when new

Cover also extends to include

- a) the cost of replacement or modification of undamaged computer equipment insofar as it is necessary to adapt it to operate in conjunction with Damaged Property which has been replaced, repaired or restored
- b) the cost of replacement, repair or modification of undamaged parts of computer equipment that form part of a matching set of articles, or suite of common design or function where the Damage is restricted to a clearly identifiable area or to a specific part.

Provided that

- a) the total liability of the Insurer is not increased beyond the amount
  - (i) that would otherwise have been payable for the replacement, repair or restoration of the Property Damaged in its original form
  - (ii) that would have been payable for replacement, repair or modification of the whole Property forming a set of articles, or suite of common design or function if such Property had been wholly destroyed
- b) the Insurer shall be liable only for the amount sufficient to enable the Insured to resume operations in substantially the same manner as before the Damage
- c) where Property is damaged in part only, the Insurer will not pay more than the amount representing the cost which the Insurer would have paid for repair, restoration or replacement if such property had been wholly destroyed
- d) if Damage to computer equipment results in undamaged computer records being incompatible with replacement

computer equipment the Insurer will pay the costs of

- (i) modifying the computer equipment  
or
- (ii) replacing computer records with reinstatement of programmes and/or information (but not for the value of the information to the Insured)  
whichever is the less.

Limit any one loss £25,000.

### Removal of Vermin or Vermin Nests

Cover includes costs incurred by the Insured, up to an amount of £3,500 any one claim, in removing Vermin or Vermin nests from Buildings at the Premises on the request of the local authority. For the sake of this extension, Vermin shall mean; Rats, mice, grey squirrels, owls, pigeons, foxes, bees, wasps or hornets.

### Rent

Where an item covering rent is specifically described in the Schedule, cover applies only if the Building in respect of which rent is payable by or to the Insured, or any part of it, is unfit for occupation in consequence of Damage. The Insurer will not pay for more than the proportion of the Sum Insured on rent that the period necessary for reinstatement bears to the term of rent covered.

### Seasonal Increase

The Sum Insured in respect of Stock shall be increased by 35% during:

- a) the months of November and December
- b) a period of 14 days preceding and succeeding any Bank Holiday other than a Bank Holiday occurring during November and December

or any other period agreed with Insurers

### Seventy Two Hours Clause

Damage occurring within 72 consecutive hours of and arising from Event 7 (Storm, Tempest or Flood) is deemed to be one claim.

The Insured have the right to select the moment from which the 72 hour period shall be deemed to have commenced within the terms of this Section, provided that such Damage occurred prior to expiry of the Period of Insurance.

### Theft Damage to Buildings

Cover includes Damage to Building(s) insured under this Section caused by theft or attempted theft excluding

- a) Damage
  - i to any Unoccupied Building
  - ii expedited or in any way brought about by the Insured or any partner, director or employee of the Insured or any other person who has a legal right to be on the Premises, unless such theft or attempted theft involved the threat of or assault or violence to the Insured or any partner, director or employee of the Insured or any other person who has a legal right to be on the Premises
  - iii to Property which is more specifically or otherwise insured

- b) the first £1,000 of each and every claim
- c) any amount exceeding **£50,000**

Cover also includes the cost of any temporary boarding-up and making good in consequence of such Damage necessary to keep the Premises secure.

### Trace and Access

In the event of Damage in consequence of escape of water or fuel oil from any tank, apparatus or pipe, the Insurer will pay costs necessarily and reasonably incurred by the Insured in locating the source of such Damage, and in the subsequent making good of Damage caused as a consequence of locating such source, up to an amount of **£50,000** any one claim.

### Additional costs of construction – energy efficiency

The insurance provided for each building or buildings listed on the schedule includes the additional cost of reinstatement following damage to property insured arising solely from the necessity to comply with the European Communities Directive on Energy Performance on Buildings 2002/91 (as enacted in applicable national law).

Provided that the liability of the company does not exceed £100,000 any one occurrence and in total for all losses occurring during any one period of insurance.

### Cleaning/clearance of drains

The insurance provided by this section extends to cover expenses necessarily and reasonably incurred with the consent of the company in clearing or cleaning drains, gutters and sewers owned, leased or rented by the insured or held by the insured in trust or for which the insured is responsible at the premises as a direct result of damage at that premises.

Provided that the liability of the company will not exceed £25,000 any one occurrence

### Concern for welfare costs

The company will pay for damage caused by police or persons acting under their control in gaining access to the buildings as a result of their concern for the welfare of an occupier of the premises.

Provided that the company will not be liable for;

- a) costs incurred following damage caused by the police in the course of criminal investigations; and
- b) any amount in excess of £25,000 any one occurrence.

### Damage by emergency services

The insurance provided by this section is extended to include damage to:

- a) property insured; and
- b) any landscaped areas

(together with any remedial costs necessarily and reasonably incurred) caused by the emergency services.

Provided that the liability of the company will not exceed £50,000 any one occurrence

### Diminution in value

The insurance by this section extends to include where a building, not the responsibility of the insured but in the vicinity of any buildings insured under this policy, suffers damage not otherwise excluded by this policy and solely due to the damage there is a subsequent reduction in sale price achieved on a premises offered for sale on the open

market prior to the damage. The company will indemnify the insured in respect of the difference in prior and post damage value.

Provided that:

- a) the amount payable will be substantiated by a practicing member of the Royal Institute of Chartered Surveyors whose appointment will be agreed by the insured and the company and due allowance will be taken of all other sums recovered in respect of damage under the insurance and from any other policy; and
- b) the liability of the company must not exceed £250,000 any one occurrence and in total for all losses occurring during any one period of insurance.

### **Emergency security costs following damage**

The insurance provided by this section is extended to include the reasonable and necessary costs incurred by the insured of:

- a) temporary boarding up or making good, necessary to keep the premises secure; and
- b) providing security guards until the premises are made secure following and as a direct result of damage.

Provided that the liability of the company will not exceed;

- (i) £2,500 any one occurrence in respect of the provision of security guards; and
- (ii) £10,000 any one occurrence and in total for all losses occurring during any one period of insurance.

### **Eviction of squatters**

The insurance by this section extends to include reasonable costs in respect of legal expenses incurred by the insured in pursuit of proceedings to evict squatters from any premises or parts of it.

Provided that:

- a) such expenses are incurred with the prior written consent of the company and in a manner advised by the company; and
- b) the maximum amount payable under this extension will in no case exceed £10,000 any one occurrence and £25,000 in total for all losses occurring during any one period of insurance

### **Explosion of steam pressure plant**

The insurance provided by this section is extended to include the bursting of any boiler or other plant:

- a) the property of the insured or for which the insured are contractually responsible; and
- b) in which internal pressure is due to steam only; and
- c) which is not used for domestic purposes.

Provided that:

- (i) the company will not be liable for the first £1,000,000 of each occurrence;
- (ii) the liability of the company will not exceed £4,000,000 any one occurrence and in total for all losses occurring during any one period of insurance; and
- (iii) the plant is regularly inspected by an independent qualified engineer in accordance with statutory regulations.

The insured may arrange separate engineering insurance cover for the amount of the deductible.

### Fire brigade charges and extinguishing expenses

The insurance provided by this section is extended to include:

- a) fire brigade charges;
- b) charges made by any organisation responsible for preserving public safety;
- c) the costs of refilling any fire extinguishing appliances or the cylinders of any gas flooding systems whether the discharge was accidental or not;
- d) the costs of replacing used sprinkler heads and refilling sprinkler tanks;
- e) the costs of resetting fire and intruder alarms all necessarily and reasonably incurred by the insured solely in consequence of damage.

Provided that the liability of the company will not exceed £50,000 any one occurrence

### Fixed glass

Following damage to fixed glass, the company will pay the reasonable cost of:

- a) replacement of lettering, painting, embossing, silvering or other ornamental work on glass; and
- b) repair or replacement of window frames, framework or security fittings; and
- c) temporary boarding up of broken glass pending full replacement; and
- d) replacement of parts of the fixed glass that do not suffer damage solely to preserve the cosmetic integrity of the building.

### Fly tipping

The insurance provided by this section is extended to include the reasonable and necessary costs incurred by the insured to remove property left on the premises without the insured's permission.

Provided that the liability of the company will not exceed:

- a) £7,500 any one occurrence; and
- b) £15,000 in total for all losses occurring during any one period of insurance.

### Further investigation expenses

Where the buildings have suffered damage and in the opinion of a competent construction professional there is a reasonable possibility of other damage to portions of the same building which is not immediately apparent, the company will pay the reasonable costs incurred by the insured with the company's prior consent in establishing whether or not such damage has occurred.

Provided that;

- a) internal and external checks of the buildings are carried out by the insured in accordance with the terms of the lease;
- b) the insured maintains a log of such inspections and retains that log for at least 24 months;
- c) the liability of the company will not exceed; i) £10,000 any one occurrence; and
- d) £50,000 in total for all losses occurring during any one period of insurance.

### Index linking

Where so indicated in the schedule, the sum insured will be adjusted during the period of insurance in accordance

with fluctuations in suitable indices of cost.

In the event of loss, the sum insured will continue to be adjusted in accordance with fluctuations in the indices during the period necessary for completion of repair or reinstatement, provided that repair or reinstatement is carried out without unreasonable delay.

The premium will remain unchanged during the period of insurance but at each renewal the premium will be calculated on the revised sum insured.

### **Involuntary betterment**

In the event of damage, when new property of the like and kind and quality of the damaged property insured is not obtainable, then property which is as similar as possible to that which has sustained damage and which is capable of performing the same function will be deemed to be new property of the like, kind and quality and in no event will this be considered as betterment to the insured.

In the event of any replacement with new property, the company will pay the cost of purchasing and installing technologically current equipment which is needed due to incompatibility between:

- a) new equipment installed to replace equipment which has sustained damage; and
- b) undamaged existing equipment at the same or an interdependent location.

Provided that the company will only be liable for;

- (i) damage directly caused by a defined peril insured by this policy;
- (ii) the amount sufficient to enable the insured to resume operations in substantially the same manner as before the damage;
- (iii) the difference between the highest sales value of the undamaged existing equipment at the same or independent location and the installed cost of the technologically current equipment; and
- (iv) a maximum amount of £100,000 any one occurrence and £500,000 in total for all losses occurring during any one period of insurance.

### **Japanese knotweed**

The insurance provided by this section is extended to include the costs necessarily and reasonably incurred for the eradication and removal of Japanese Knotweed (*Fallopia Japonica*) or other hybrids of knotweed listed under Schedule 9 Wildlife and Countryside Act 1981 or any subsequent amending legislation discovered during the period of insurance at the insured premises and to safely dispose of the waste in accordance with the provisions under the Environmental Protection (Duty of Care) Regulations 1991 or any subsequent amending legislation.

Provided that the liability of the company does not exceed £5,000 any one occurrence and £25,000 in total for all losses occurring during any one period of insurance.

### **Landscaping**

The insurance provided by this section is extended up to the limit of £50,000 to include the cost of replanting trees, shrubs, plants and turf used as landscaping at the premises in consequence of fire and explosion, being the cost incurred in restoring any such item of landscaping to its appearance when first planted but excluding any cost arising from the failure of these items to germinate or become established.

### **Loss of market value**

It is agreed that:

- a) if the insured elects not to repair or rebuild the buildings, the company will pay to the insured the reduction in the market value of the buildings immediately following the damage but not exceeding the amount which would have been payable had the buildings been repaired or rebuilt; or
- b) if as a result of damage insured hereby the insured are required to rebuild or reinstate the buildings in a manner

different from that immediately before the damage solely to comply with the stipulations (as defined in extension 12) of the European Community and Public Authorities (including undamaged property)) and as a result there is reduction in market value, the company agree to pay:

- (i) the cost of repairing or reinstating the buildings; and
- (ii) a cash settlement representing the reduction in market value;

so that the total payment made is no greater than the amount that would have been payable had the buildings been repaired or reinstated in an identical manner to their condition immediately before the damage.

Provided that:

- (i) the total amount recoverable under any item of this policy will not exceed its sum insured; and
- (ii) all the terms and conditions of this policy, except in so far as they are varied, will apply.

### **Loss prevention expenses**

The insurance provided by this section is extended to include the reasonable and necessary costs incurred by the insured to protect property insured at the premises from imminent damage.

Provided that the liability of the company will not exceed £50,000 any one occurrence

### **Party walls**

The company will pay costs incurred by the insured in reinstating a party wall following damage as insured hereby whether the responsibility to reinstate is with the insured or not.

Provided that the liability of the company does not exceed 10% of the declared value of the premises affected by the damage in respect of such additional costs.

### **Personal possessions**

The insurance provided by this section is extended to include up to £1,500 in respect of any one person following damage to directors', partners', customers', visitors' and employees' personal effects of every description other than:

- a) motor vehicles; or
- b) property that is otherwise insured under a more specific insurance policy.

### **Rent payable**

In the event of damage in respect of which there is an item on rent payable specified in the schedule for premises, the company will indemnify the insured in respect of the amount of rent which continues to be payable by the insured for such premises or part of the premises whilst unfit for occupation in consequence of the damage for a period not exceeding the number of months stated in the item description in the schedule

### **Continuing Interest and Hire Charges**

In the event of damage at buildings where the insured is liable under contract for interest charges or continuing hire charges not recoverable under the terms of a lease or similar agreement in respect of property for which the insured is responsible and which is not otherwise insured the company will pay such charges actually and reasonably incurred subject to a limit of £10,000 any one claim and in total in any one period of insurance.

### **Tree felling or lopping**

The insurance provided by this section is extended to include the cost of felling or lopping trees at the property insured which are an immediate threat to the safety of life or property as a result of damage. Provided that:

- a) the company will not be liable for: i) any legal or local authority costs involved in the removal of trees; or
- (i) any costs incurred solely to comply with a tree preservation order; or

- (ii) any costs incurred in respect of routine tree maintenance.
- b) the liability of the company will not exceed: i) £500 any one occurrence; and
- c) £5,000 in total for all losses occurring during any one period of insurance.

## Exclusions Applicable to Section 1 - Material Damage

- a. the amount of the **Excess** stated in the **Schedule**
- b. **Damage** to aircraft, watercraft, vehicles, livestock, growing timber or crops, jewellery, furs, watches, precious metals/stones, money, documents, data or word-processing media or computer systems records unless otherwise agreed by **Underwriters**
- c. **Damage** to:
  - i) property or structures in course of construction or erection and materials or supplies in connection with all such property
  - ii) piers, jetties, bridges, culverts or excavations
- d. loss by delay, loss of market, consequential loss of any and every description
- e. **Property Insured** which is insured more specifically by or on behalf of **You** or more specifically covered under another section of this **Policy**
- f. **Damage** to any **Property Insured** and/or any consequential loss directly or indirectly caused or contributed by:
  - (i) subsidence, collapse, landslip, ground heave, settling, cracking, shrinkage, expansion, settlement or bedding down of any building or foundation
  - (ii) mechanical and/or electrical derangement and/or breakdown, breakage of valves filaments and the like, burning out or **Damage** directly caused by short circuiting, and/or claims arising from overheating
  - (iii) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping in connection therewith
  - (iv) moth, termites, vermin or insect, wear, tear, gradual deterioration, rust or oxidisation, rot, mould or mildew, inherent vice, latent defect
  - (v) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching or denting
  - (vi) faulty manipulation, or loss of magnetism and/or erasure of tapes, or faulty projection, shortage in weight, contamination, taint or insufficiency of insulation
  - (vii) breakage of articles of a brittle nature and/or breakage of glass, over winding or internal damage of clocks and/or watches
  - (viii) faulty or defective workmanship, operational error or omission on the part of **You** or any of **Your Employees**
  - (ix) whilst being worked upon, or under any process, and directly resulting therefrom
  - (x) change in climatic or atmospheric conditions or in water table level
  - (xi) frost or change in temperature, colour, flavour, texture or finish
  - (xii) theft, wind, rain, hail, sleet, snow, flood or dust **Damage** to movable property in the open, fences and gates

- (xiii) infidelity or dishonesty by **You** or any of **Your Employees** or other persons to whom **Property Insured** may be entrusted or **Damage** resulting from **You** voluntarily parting with title or possession of any property if induced to do so by any fraudulent scheme, trick, device or false pretence
- (xiv) any unexplained loss or loss or shortage disclosed on taking inventory, misfiling or misplacing of information
- (xv) theft or attempted theft unless involving forcible and violent entry into or exit from the **Building**
- (xvi) theft or attempted theft when any **Property Insured** (subject to cover away from the **Premises** being specifically agreed by **Underwriters**) is left unattended whilst in transit by road vehicle/air/sea unless:
  - (i) the vehicle is securely locked and all security devices are set in operation, and/ or
  - (ii) the vehicle is kept in a locked building of substantial construction or guarded security park between the hours of 9pm and 6am, or
  - (iii) if in a saloon car in a boot or under the parcel shelf of any hatchback/estate the **Property Insured** is concealed from view, subject to the **Underwriters** liability not exceeding £3,500 any one **Insured Event**.
  - (iv) when the **Property Insured** is in transit by air it is carried as hand luggage
  - (v) when the **Property Insured** is in transit by sea it is not left unattended unless kept in a securely locked road vehicle or cabin.

The exclusions (i)-(xvi) above will not apply where:

- (i) such **Damage** not otherwise excluded which itself results from a **Defined Peril**
- (ii) subsequent insured **Damage** which itself results from a cause not otherwise excluded

## Conditions Applicable to Section 1 - Material Damage

### Average Clause

Each item insured under this Section, excluding **Stock**, is declared to be separately subject to the following Condition of Average, namely;

If at the time of repair or rebuilding or replacement the **Cost of Reinstatement** which would have been incurred in reinstatement if the whole of the property by such item had been destroyed exceeds the **Sum Insured** thereon at the commencement of any **Damage** to such property then **You** shall be considered as being **Your** own insurer for the difference between the **Sum Insured** and the sum representing the **Cost of Reinstatement** of the whole of the property and shall bear a rateable proportion of the loss accordingly.

The **Excess** shall not be reduced in the event that the Average clause applies to **Your** claim.

If the Alternative Basis of Settlement Condition is applied this Average clause is amended to:

The **Sum Insured** by each item is separately declared to be subject to Average.

In the event that the **Sum Insured** for any such item shall, at the commencement of **Damage**, be less than the value of the property covered, then the amount payable by **Underwriters** shall be proportionately reduced.

### Waiver of average

In the event of **damage**, the **company** agrees to waive Conditions Applicable to **Section 1 – Material Damage – Average Clause** and **Section 6 – Underinsurance Clause** of this **policy**.

Provided that

#### A: Buildings

- a) the **insured** provides documentary evidence of revaluation by or under the supervision of a Fellow or Member of the Royal Institute of Chartered Surveyors not more than three years prior to the date of the **damage or not more than two years for a Grade 1, Grade 2\* or Grade 2 listed property in England and Wales and Grade A, Grade B\* and Grade B listed property in Scotland**;(and the equivalent in Northern Ireland)
- b) have adjusted the Sum Insured in line with the valuation  
and
- c) The **Insured** have made annual adjustments of the Sum Insured based on the General Building Cost Index issued by the Building
- d) Cost Information Service of the Royal Institution of Chartered Surveyors or such alternative index as may be agreed by Us in writing
- e) this extension will not apply in respect of any undisclosed structural alterations, extensions or additions unless and until a subsequent revaluation has been completed and the **declared value** has been amended to include such structural alterations, extensions or additions.

#### B: Machinery Plant and all Other Contents (excluding Stock) items:

Where the Insured has

- a) taken all reasonable steps to ensure that the Sums Insured on all Machinery, Plant and All Other Contents items are adequate and
- b) have calculated the Sums Insured to represent the cost of reinstating in accordance with an inventory or valuation of the Property Insured carried out within the three years prior to the date of the Damage and
- c) have adjusted the Sums Insured in line with the inventory or valuation

and

- d) have made annual adjustments of the Sum Insured based on the Retail Price Index or other similar Index approved by Insurers

then if at the time of **Damage** You provide Us with a copy of the valuation and/or inventory no adjustment will be made under either the Condition of Average or Basis of Claim Settlement – Reinstatement clause.

## Flat Roof Condition

It is a condition of Section 1- Property Damage of the Policy that:

- a) in respect of all areas of flat felted roofs which are greater than 10 (ten) years old:
- b) these are inspected at least once every two years by a qualified builder or property surveyor and all defects identified by that inspection are repaired immediately;
- c) all guttering is inspected for blockages or defects by a competent person at inception date or renewal date and at six monthly intervals thereafter and all blockages or defects identified by that inspection are repaired immediately;
- d) in respect of any roofs that have valley gutters such gutters are inspected for blockages or defects by a competent person at inception date or renewal date and at six monthly intervals thereafter and all blockages or defects identified by that inspection are repaired immediately;
- e) a record of all inspections referred to above is made and retained by the Insured and is to be available for inspection if required.

## Fork-Lift Truck Condition

It is a condition precedent to liability of the Insurer for Damage by fire or explosion that when charging fork-lift truck batteries, the Insured must

- a) confine battery charging to designated areas which
  - (i) maintain a clearance of at least 2 metres between any fork lift truck plus its charging unit and any adjacent combustible materials
  - (ii) are behind non combustible barriers and/or within a clearly painted floor area
  - (iii) are kept clean, tidy and free from waste and combustible materials
- b) not leave the Premises unattended

## Frying Condition

It is a condition precedent to liability for Damage by fire or explosion that

- a) the frying apparatus installed in any building is securely fixed and free from contact with all woodwork and other combustible materials
- b) such frying apparatus includes
  - (i) a thermostat to prevent the temperature of the fat or oil from exceeding 205 degrees centigrade
  - (ii) a high temperature control of a non-setting type which will shut off the heat source if the temperature of the fat or oil exceeds 230 degrees centigrade

- c) the frying apparatus is attended at all times that the heat source is operative
  - (i) a fire blanket of adequate size complying with BS EN1869 is provided
  - (ii) a minimum of two approved portable fire extinguishers are provided, one to be suitable for use on electrical fires, and the other suitable for use on Class F Cooking Oil and Fat fires and that such fire blanket and such extinguisher are located in a safe accessible position and are maintained under contract with a competent fire extinguisher company
- d) all sump boxes or flue traps are cleared at least once every seven days
- e) all exhaust hoods are inspected at least once a week and all greasy deposits are removed and not allowed to accumulate
  - (i) all ducting and flues of said apparatus are inspected by a competent specialist at least once every six months and all greasy deposits are removed and not allowed to accumulate
  - (ii) a record of such inspections and copy certificates of inspection shall be kept and shall be made available to the Insurer.

## Stillage Condition

Contents, Stock, Computers and Electrical Office Equipment which are moveable in any basement or cellar must be raised at least 10 centimetres above the floor.

## Waste Condition

The Insured must ensure that:

- a) All hazardous and/or combustible trade waste from manufacturing processes such as sawdust, clippings or cuttings be swept up and bagged daily and removed from the Building at least once a week.
- b) All waste stored external to the Building pending collection should be stored in:
  - (i) Non-combustible, closed, lidded containers
  - or
  - (ii) Waste containers kept at least 5 metres from any building or other property and removed from the Premises when the containers are full.
- c) All oily and/or greasy waste and cloths which remain in the Building overnight be kept in metal lidded containers.

## Other Insurances

If at the time of **Damage** resulting in a loss under this Section there be any other insurance effected by or on **Your** behalf covering such loss or any part of it the liability of the **Underwriters** hereunder shall be limited to its rateable proportion of such loss.

## Subrogation Waiver

In the event of a claim arising under this Section the **Underwriters** agree to waive any rights remedies or relief to which they might have become entitled by subrogation against;

- a) any company standing in relation of Parent to Subsidiary (Subsidiary to Parent) to **You** as defined in the Companies Act or the Companies (N.I.) Order or any subsequent act or order current at the time of **Damage**

- b) any company which is a subsidiary of a Parent Company of which **You** are a Subsidiary in each case within the meaning of the Companies Act or the Companies (N.I.) Order or any subsequent act or order current at the time of **Damage**
- c) any tenant provided that;
  - (i) the **Damage** did not result from a criminal fraudulent or malicious act of the tenant and
  - (ii) the tenant has contributed to the cost of insuring the **Property Insured** against the event which caused the **Damage**.

## Value Added Tax

To the extent that **You** are registered with and accountable to or should, according to the applicable laws at the time, be registered with and accountable to the tax authorities for Value Added Tax, all terms in this Section shall be exclusive of such tax.

## Section 2: Deterioration of Stock

**Underwriters** agree to pay **You**, if during the **Period of Insurance Your** foodstuffs or foodstuffs held by **You** in trust or on commission or for which **You** are responsible whilst at the **Premises**, contained in the refrigerating units is damaged by deterioration, contamination or putrefaction arising from;

- a) rise or fall in temperatures as a result of:
    - (i) the breaking, distortion or burning out of any part of the unit (including its own wiring terminating at and including the plug and fuse) arising from mechanical or electrical defects in the unit occurring whilst the unit is being used under normal working conditions
    - (ii) non-operation of the thermostatic or automatic controlling devices forming part of the unit
    - (iii) accidental failure of the public supply of electricity not occasioned by the deliberate act of any supply authority
  - b) accidental leakage of refrigerant or refrigerant fumes from the unit which occurs during the **Period of Insurance**.
- provided that **Underwriters** liability does not exceed the **Sum Insured** stated in the **Schedule**.

### Obligations

**You** must:

- a) in respect of any refrigerating unit(s) which is more than 10 years old, at the commencement and throughout the currency of this insurance:
  - (i) have an annual maintenance agreement in place, and
  - (ii) be in possession of maintenance documents that confirm a satisfactory service by a qualified engineer has been completed in the last twelve months
- b) in the event of **Damage** obtain a Condemnation Policy by the relevant authority under current legislation

Otherwise no cover will operate under this Section.

### Exclusions Applicable to Section 2 - Deterioration of Stock

The liability of the **Underwriters** under this Section does not cover:

- a) **Damage** resulting from:
  - (i) failure of the public supply services which do not exceed 30 consecutive minutes
  - (ii) failure of the public supply services due to any deliberate act of a public supply undertaking not performed for the sole purpose of safeguarding life or protecting any part of the public supply undertakings systems or any scheme of rationing not necessitated solely by accidental damage to the public supply undertaking's generating or supply equipment
  - (iii) wear and tear, deterioration or gradually developing flaws or defects in the refrigerating unit or incorrect setting of thermostats and automatic controls
- b) the amount of the **Excess** specified in the **Schedule**.

## Section 3: Money and Assault

### Section 3 - Money and Assault Sub-Section 1 - Money and Non-Negotiable Items

**Underwriters** agree to indemnify **You** for amounts not exceeding the **Sum Insured** stated against each item(s) in the **Schedule** against;

- a) **Damage to Money** items from any cause whilst:
  - (i) in the **Premises** outside **Business Hours** not contained in locked safes or strongrooms
  - (ii) in **Your** private residence or the private residence of any authorised partner, director or **Employee**
  - (iii) in the **Premises** outside **Business Hours** contained in locked safes or strongrooms described in the **Schedule**
  - (iv) on the **Premises** during **Business Hour**
  - (v) whilst in transit or bank night safe
  - (vi) in a gaming, amusement or vending machine
- b. **Damage to Non-Negotiable Items** from any cause up to £250,000 in any one **Period of Insurance**.
- c. **Damage** caused by thieves to safes and strongrooms (as described in the **Schedule**), stamp franking machines, approved security cases, bags or waistcoats containing the **Non-Negotiable Items** and/or **Money**

#### In addition

- a) Underwriters will indemnify the Insured in respect of the limits of indemnity stated in the Schedule against Damage to Money occurring during the Period of Insurance held in connection with the Business by any cause not excluded
- b) Underwriters will indemnify the Insured against Damage sustained as a direct result of theft or attempted theft of Money, of or to
  - (i) any safe or strongroom specified in Item 2 of the Schedule, or any bag or other container used by the Insured or any authorised partner, director or employee of the Insured to carry Money
  - (ii) clothing and personal effects belonging to the Insured or to any partner, director or employee of the Insured following assault or violence or the threat of assault or violence
- c) Underwriters will pay the Insured when any Insured Person whilst engaged in connection with the Business, as a direct result of theft or attempted theft of Money involving assault or violence or the threat of assault or violence
  - (i) suffers an Accident resulting within 12 months, directly and independently of any other cause, in death or disablement
  - (ii) suffers emotional stress necessitating professional counselling, provided such counselling is recommended by a qualified medical practitioner and agreed to by the Insurer before costs are incurred.
- d) liability under the terms of any Credit Card used in connection with the Business for loss following fraudulent use thereof by any unauthorised person, provided that the liability of the Insurer during any one Period of Insurance shall not exceed £2,500. It is a Condition Precedent to Liability that:
  - (i) any loss of Credit Cards has been reported to the Police within 24 hours of discovering the loss
  - (ii) any loss of Credit Cards has been reported to the issuing company immediately
  - (iii) the Conditions of Issue of the Credit Card have been complied with

## Obligations

- a) No cover will operate under Sub Section 1 a) & b) unless:
- (i) **You** keep any till or cash register on the **Premises** open and unlocked outside of **Business Hours**
  - (ii) **You** keep a daily record of all **Money** in transit and on the **Premises** and that such record shall be deposited in a safe place other than in the safes or place containing the **Money**
  - (iii) outside of **Business Hours** the safes and strongrooms are locked and the keys of the safes and strongrooms removed from the **Premises**.
- b) Money (other than Non-negotiable Currency) in transit must be accompanied by the following numbers of responsible persons

| Amount of Money in Transit | Minimum Security                                     |
|----------------------------|--|
| £1 - £3,000                | 1 able bodied and responsible <b>Insured Person</b>  |
| £3,001 - £6,000            | 2 able bodied and responsible <b>Insured Persons</b> |
| £6,001 - £15,000           | 3 able bodied and responsible <b>Insured Persons</b> |
| Over £15.000               | Professional Security Company                        |

- c) where the amount of **Money** in transit exceeds £15,000 a Professional Security Company must be employed to carry out the transit otherwise no cover will operate under this Section

Provided that at all times **Underwriters** liability does not exceed the **Sum Insured** stated in the **Schedule**.

## Exclusions Applicable to Section 3 - Money and Assault Sub-Section 1 - Money and Non-Negotiable Items

The liability of the **Underwriters** under Sub-Section 1 excludes:

- a) Shortages due to clerical or accounting errors
- b) **Damage** due to the fraud or dishonesty of any person employed by **You**:
  - (i) not discovered within 7 working days of its occurrence
  - (ii) more specifically insured by any other insurance or insurances except in respect of any loss beyond the amount payable under such other insurance or insurances
- c) **Damage** to **Money** and or **Non-Negotiable Items** from:
  - (i) vending or gaming machines unless specifically stated in the **Schedule**
  - (ii) unattended vehicles
  - (iii) any unattended room in the **Premises** during **Business Hours** for an amount exceeding £500 unless in a locked desk or cupboard, strong box or safe with keys removed from the room
- d) **Damage** arising elsewhere than in the **Territorial Limits**

- e) **Damage to Money** and or **Non-Negotiable Items** from theft or attempted theft unless involving forcible and violent entry into or exit from the **Building**
- f) **Damage to Money** in transit that is left unaccompanied
- g) The amount of any applicable **Excess** specified in the **Schedule**.

### Section 3 - Money and Assault Sub-Section 2 - Assault

In the event of **Injury** to an **Insured Person** as a direct result of assault, robbery or hold up or any attempt thereof at the **Premises** or whilst carrying **Money** belonging to the **Business** and insured under this **Policy**, then the **Underwriters** will pay the **Compensation** specified in respect of the following;

- |  |   |
|--|---|
| a) Death   | £35,000   |
| b) Total loss or permanent and total loss of use of one or more limbs occurring within two (2) years of sustaining the bodily injury | £35,000   |
| c) Total and irrecoverable loss of all sight in one or more eyes occurring within two (2) years of sustaining the bodily injury      | £35,000   |
| d) For any period up to a maximum of two (2) years of total disablement from engaging in usual occupation                            | £100 per week   |
| e) For any period up to a maximum of two (2) years of partial disablement from engaging in usual occupation                          | £50 per week  |
| f) The cost of professional counselling  | a) per hour £50<br>b) any one person £1,000<br>c) in total £5,000 |

### Clauses Applicable to Section 3 - Money and Assault Sub-Section 2 - Assault

Provided that:

- a) compensation will not be payable under more than one of the items in the compensation table for the same **bodily injury**; and
- b) no liability will attach to **us** for **bodily injury** arising from or influenced by any existing physical defect or infirmity or the medical condition of any person entitled to compensation hereunder or resulting from pregnancy or childbirth.

### Exclusions Applicable to Section 3 - Money and Assault Sub-Section 2 - Assault

The liability of the **Underwriters** under Sub-Section 2 excludes;

- (i) more than one item of a) to d) above in connection with the same incident, except that if any personal **Injury** is payable under item d) it shall be deducted from any amount subsequently paid under items a) b) or c)
- (ii) **Death Injury Permanent Total Disablement** or **Temporary Total Disablement** caused or contributed to or arising from any pre-existing defect infirmity illness or disease

## Section 4: Goods in Transit

For the purposes of this Section only, **Property Insured** shall be defined as goods whether contained in one or a number of parcels, packages or containers or in bulk sent at one time in one load from one address to another, such goods being **Your** property or for which **You** are legally responsible.

Following an **Insured Event** the **Underwriters** will by payment or at their option by reinstatement, replacement or repair indemnify **You** against **Damage** from any cause not specifically excluded whilst;

- a) conveyed by or in the charge of a carrier for the purposes of transportation including loading and unloading
- b) conveyed by or temporarily housed upon a vehicle or trailer owned or operated by **You** including loading and unloading
- c) conveyed by postal service or an equivalent service including whilst being conveyed by any vehicle or trailer to which goods or merchandise are transferred in order to complete a journey following breakdown of or accident to the original carrying vehicle including loading and unloading

Provided that:

- (i) the liability of the **Underwriters** shall not exceed the **Sum Insured** stated in the **Schedule**.
- (ii) the liability of **Underwriters** does not extend beyond the **Territorial Limits** stated in the **Schedule**.

### Territorial Limits

Great Britain, Northern Ireland, the Republic of Ireland, the Isle of Man or the Channel Islands, including sea or air transits between these territories.

### Transit

Carrying Goods and Tools in connection with the Business by any means of transit described in the Schedule, including

- a) loading and unloading Goods and Tools
- b) temporary storage of Goods and Tools in warehousing during transit, for up to 30 days.

### Cover

The Insurer will pay the Insured for

Damage to the clothing or personal effects of the driver of any Vehicle or of any other person authorised to be in the Vehicle.

### Basis of Settlement

- a) The most the Insurer will pay for any one claim or series of claims arising out of any one occurrence of Damage is
  - (i) the maximum any one Vehicle, the maximum any one loss or any other limit of liability specified in the Schedule
  - (ii) for clothing or personal effects, £500 per person
- b) The Insurer will pay the Insured the value of the Goods and Tools in Transit at the time of Damage.
- c) The Insurer will also pay the value of clothing or personal effects of the driver of any Vehicle or of any other person authorised to be in the Vehicle at the time of Damage.

The **Underwriters** will also pay;

a) Additional costs necessarily incurred in:

- (i) transferring the **Property Insured** to another conveyance and/or delivering / returning such property to its original destination / place of dispatch if any vehicle is disabled as a result of an accident
- (ii) re-loading on to any vehicle any of the **Property Insured** fallen from such vehicle
- (iii) removing debris consequent upon **Damage** to any of the **Property Insured** up to an amount not exceeding £2,500 for any one event, such amount being included within the **Sum Insured** stated in the **Schedule**.

b) For **Damage** which occurs to:

- (i) Sheets, tarpaulins, ropes, toggles, chocks, chains, skips and trolleys whilst carried in the course of transit by any vehicle up to an amount not exceeding £2,500 any one loss but excluding the first £50 of each and every loss
- (ii) personal property belonging to an **Insured Person** whilst carried in any vehicle conveying **Property Insured** up to an amount not exceeding £250 any one person but excluding the first £25 of each and every loss

such amounts being included within the **Sum Insured** stated in the **Schedule** and not in addition thereto.

## Additional Vehicles

Cover includes Damage to Goods and Tools in any additional Vehicle not specified in the Schedule up to an amount of £2,500 any one claim, provided that the Insured shall advise the Insurer of the acquisition of such additional Vehicle within 21 days of its acquisition and pay any additional premium required by the Insurer.

## Substitute Vehicles

Cover includes Damage to Goods and Tools arising out of the use of any vehicle in substitution by the Insured whilst any Vehicle is undergoing service or repair, up to the amount of the Limit of Liability specified in the Schedule applicable to the Vehicle undergoing service or repair.

## Transshipment and Debris Removal Costs

Cover includes costs and expenses necessarily and reasonably incurred in

- a) transshipment and recovery of Goods and Tools following collision or overturning of the conveying Vehicle, or impact with any object by the conveying Vehicle
- b) removal of debris and site clearance following Damage to Goods, up to an amount of £10,000 any one claim. The Insurer will not pay for such costs and expenses arising from pollution or contamination of or to property not insured by this Section.

## Exclusions Applicable to Section 4 - Goods in Transit

This Section excludes;

a) **Damage** resulting from theft or attempted theft from any unattended vehicle or trailer unless:

- (i) all doors, windows and other points of access have been closed and locked and any security devices are correctly set to operate and all keys to doors, ignition or other services removed, and

- (ii) after the last business transit of the day until collected by the driver for the next business transit, the vehicle is housed in a securely locked building of substantial construction or a compound which has secure walls and/or fences and securely locked gates.

b) **Damage to:**

- (i) coins, bank notes, treasury notes, stamps and cheques, securities, bills of exchange, promissory notes
- (ii) deeds, bonds, documents, manuscripts, business books, computer system records
- (iii) patterns, models, moulds, plans or designs
- (iv) furs, jewellery, precious stones, precious metals or bullion
- (v) livestock
- (vi) explosives or goods of a dangerous or hazardous nature
- (vii) property dispatched on Free on Board terms
- (viii) property conveyed in a refrigerated, frozen, chilled or insulated condition as a result of deterioration due to any variation in temperature unless as a result of an accident to the vehicle or trailer unless otherwise stated in the **Schedule** to this section.

c) **Damage due to:**

- (i) wear and tear, gradual deterioration, contamination, depreciation, inherent vice or nature of the **Property Insured**
- (ii) normal atmospheric conditions where the **Property Insured** is on an open vehicle or trailer unless such property shall have been adequately and properly protected
- (iii) mechanical / electrical breakdown, failure or derangement unless exterior damage first occurred to the **Property Insured**
- (iv) delay, loss of market inventory, shortages, mysterious or unexplained disappearances or any consequential loss of any kind
- (v) packing which was inadequate to withstand normal handling during transit
- (vi) theft or attempted theft of goods from open backed, soft sided or soft topped vehicles or trailers
- (vii) the dishonesty of any person to whom goods have been entrusted

d) The amount of the **Excess** specified in the **Schedule**

## Conditions Applicable to Section 4 - Goods in Transit

**You** must take all reasonable precautions to prevent **Damage** by:

- a) maintaining vehicles in an efficient and roadworthy condition and ensuring that they are suitable for the purpose for which they are to be used
- b) exercising reasonable care in the selection of **Employees** obtaining references and in providing instruction to and supervision of **Employees** packaging and labelling and addressing the **Property Insured**
- c) complying with regulations imposed by any lawful authority otherwise **Underwriters** may refuse to pay all or part of **Your** claim

## Section 5: Loss of Licence

In the event of a **Licence** granted in respect of the **Premises** for the sale by retail of excisable liquors (the **Licence**) becoming suspended or forfeited under the provisions of the appropriate legislation governing such licences or refused renewal after due application for such renewal to the appropriate authority at any time during the **Period of Insurance** such suspension forfeiture or refused renewal being occasioned by reasons beyond **Your** control the **Underwriters** will pay or make good to **You** all loss that **You** shall sustain in respect of:

- a) the depreciation in value of **Your** interest in the **Premises** and loss of **Gross Revenue** by the suspension, forfeiture of or refusal to renew the **Licence** up to an amount not exceeding the **Sum Insured** stated in the **Schedule**
- b) in addition, the costs and expenses incurred by **You** with the written consent of the **Underwriters** in connection with any appeal against the suspension, forfeiture of or refusal to renew the **Licence**.

For the purposes of this section only the definition of **You** is deemed to include the **Licence** holder.

### Exclusions Applicable to Section 5 - Loss of Licence

- a) The liability of the **Underwriters** under this Section does not cover the refused renewal suspension or forfeiture of the **Licence** arising directly or indirectly from any scheme of town or country planning improvement or redevelopment compulsory purchase or from any alteration of the law affecting the grant surrender, refusal to renew, suspension or forfeiture of licenses.
- b) if **You** shall be entitled to obtain the payment of compensation under the provisions of any statute or statutory instrument or regulation in respect of the suspension of forfeiture of or refusal to renew the **Licence** no claim shall arise under this Section
- c) If the suspension of forfeiture of or refusal to renew the **Licence** be occasioned wholly or partly by a criminal act of the owner, manager or **Employee(s)**, no claim shall arise under this Insurance

### Conditions Applying to Section 5 - Loss of Licence

- a) In the event of the death, bankruptcy, incapacity, desertion of the premises or conviction (for any offence where such conviction affects the character or reputation of the convicted person with respect to his honesty, moral standing or sobriety) of the tenant manager, occupier or **Licence** holder, **You** shall where practicable and at the request of the **Underwriters** procure a suitable person to replace him and one to whom the Justices will transfer the **Licence** or grant the **Licence** by way of renewal.
- b) **You** shall immediately give notice in writing to the **Underwriters** and supply such additional information and give such assistance as the **Underwriters** may reasonably require as otherwise **Underwriters** may refuse to pay **Your** claim on becoming aware of any:
  - (i) complaint against the **Premises** or the control thereof
  - (ii) proceedings against or conviction of the **Licence** holder, manager, tenant or occupier of the **Premises** for any breach of licensing law or any matter whatsoever whereby the character or reputation of the person concerned is affected or called into question with respect to his honesty moral standing or sobriety
  - (iii) transfer or proposed transfer of the **Licence**
  - (iv) alteration in the purpose for which the **Premises** are used
  - (v) objection to renewal or other circumstances which may endanger the **Licence** or renewal thereof
- c) if the suspension of, forfeiture of or refusal to renew the **Licence** be occasioned wholly or partly by or

through the misconduct or procurement or connivance or neglect or omission by **You** or by any omission by **You** to take any step necessary for keeping the **Licence** in force, no claim shall arise under this Insurance unless **You** shall prove to the reasonable satisfaction of the **Underwriters** that such matter was beyond **Your** power or control.

## Section 6: All Risks - Specified Items

In the event of loss of or damage to **Property Insured** which is specified in the **Schedule** and occurs within the **Territorial Limits** **We** will indemnify **You** against all risks of accidental direct physical loss or **Damage** occurring during the **Period of Insurance** in accordance with the Basis of Indemnity Clause set out below.

### Basis of Indemnity

**We** will at **Our** own option either:

- a) Pay **You** the amount of damage or the replacement cost at the time of the **Damage**, whichever is the lower or
- b) Reinstatement, repair or replace the item or any part of it which is damaged.

### Limit of Liability

Our liability in respect of any item insured shall not exceed the specified **Sum Insured** shown in the **Schedule**.

### Territorial Limits

- a) the Premises
- b) anywhere within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- c) anywhere within countries of the European Union
- d) Worldwide.

### Excess

**We** shall not indemnify **You** for the amount of the **Excess** specified in the **Schedule**. The **Excess** shall not be reduced pro-rata in the event that the **Underinsurance Clause** set out below is applicable.

### Underinsurance Clause

If at the time of **Damage** the **Sum Insured** of any particular item specified in the **Schedule** be less than the replacement cost of that item **Our** liability shall not exceed that proportion of the amount of damage which the **Sum insured** bears to the replacement cost of that item.

### Vehicle

Any vehicle owned or operated by the Insured.

### Exclusions

This section does not cover **Damage**:

- a) caused by or consisting of scratching or denting or other cosmetic deterioration
- b) caused by inherent vice, latent defect, gradual deterioration, wear and tear
- c) caused by breakage of articles of a brittle nature (to include Glass but not jewellery)
- d) caused by change in temperature, colour, flavour, texture or finish or taint

- e) caused by electrical or magnetic disturbance or erasure of electronic recordings
- f) caused by acts of fraud or dishonesty (not including theft)
- g) caused by unexplained disappearance, unexplained shortage, inventory shortage, misfiling or misplacing of information or clerical error
- h) caused by climatic or atmospheric conditions or extremes of temperature
- i) caused by cleaning, services, repair or any other similar process
- j) caused by the over-winding or internal damage of clocks and/or watches.
- k) more specifically insured under any other insurance.

## Section Conditions

### Vehicle Protections

Whenever Property Insured is left in unattended Vehicles, the Insured must ensure that

- a) all security locks, alarms and other security devices are maintained in an efficient working condition
- b) all doors are locked, windows and other openings closed and securely fastened and all intruder alarm installations and other security devices are made operative whenever the Vehicles are left unattended
- c) Vehicles are contained in a securely locked building or compound if left unattended overnight (for the purpose of this Section overnight shall mean from 9.00pm, or whenever the Vehicle was last occupied whichever is the earlier, to 6.00am or until the Vehicle is first used whichever is the later).

### Reinstatement

If any Property is to be reinstated or replaced by the Insurer, the Insured shall at their own expense provide all documents, books and information as may reasonably be required. The Insurer shall not be bound to reinstate exactly, but only as circumstances permit, and in a reasonably sufficient manner, and shall not in any case be bound to expend for any one item of this Section more than its Sum Insured.

## Definitions Applicable to Section 6 - All Risks - Specified Items

### Accident

Shall mean

- a) **Damage** insured under this Section
- b) **Damage** recoverable under guarantee or under a maintenance, rental, hire or lease agreement on the **Computer Equipment** or **Portable Equipment**
- c) the accidental failure or fluctuation of the public supply of electricity at the terminal point of the supply undertaking's feed to the **Premises** from any cause not specifically excluded
- d) the accidental failure of any telecommunications system used in connection with the computer operations
- e) the accidental failure of the internal distribution wiring within the **Premises** for supply of electricity from mains to the **Computer Equipment** or **Portable Equipment** from any cause not specifically excluded.

### Ancillary Equipment

Being all equipment solely for use with the **Computer Equipment** comprising air conditioning and cooling equipment, generating equipment, voltage regulating equipment, satellite and telecommunication links, computerised telephone exchanges, electronic access equipment and temperature and humidity recording equipment.

### Computer Equipment

Being all equipment (including fixed disks and interconnected wiring) used for processing of data together with display screens, printers and **Data Carrying Materials** but excluding;

- a) **Portable Equipment** away from the **Premises**
- b) equipment held as **Stock** or customers' equipment held in trust
- c) Facsimile and photocopying machines, digital cameras and similar machinery not associated with the processing of electronic data
- d) Any equipment controlling or monitoring any manufacturing process.

### Data Carrying Materials

Being all current back-up disks, tapes or other materials but excluding fixed disks and paper records of any description.

### Indemnity Period

The period beginning with the occurrence of the **Accident** and ending not later than the **Maximum Indemnity Period** thereafter during which the results of the **Business** shall be affected in consequence of the **Accident** provided that no liability shall attach in respect of;

- a) any loss where the period of interruption does not exceed 24 consecutive hours
- b) accidental failure of the public supply of electricity where the duration of such accidental failure does not exceed 30 consecutive minutes
- c) any period exceeding the length of time during which the **Business** would have been affected as a consequence of the **Accident** had no other loss or damage to the **Premises** in which the **Computer Equipment** or **Portable Equipment** is situated or the contents thereof occurred.

### Maintenance Agreement

Shall mean a contract providing on-call remedial and/or corrective maintenance with all parts and labour at an inclusive cost.

### Portable Equipment

Being laptop computers, tablets designed to be carried by hand used for viewing and processing data but excluding any such **Computer Equipment** used solely at the **Premises**.

## Section 7: Business Interruption

### Gross Profit/Estimated Gross Profit Basis of Loss Settlement

The insurance under this item is limited to loss of **Gross Profit** due to;

- a) reduction in **Turnover** and
- b) Increase in Cost of Working

and the amount payable as indemnity thereunder shall be:

- (i) the sum produced by applying the **Rate of Gross Profit** to the amount by which the **Turnover** during the **Indemnity Period** shall fall short of the **Standard Turnover** in consequence of the **Damage**
- (ii) the additional expenditure (subject to the provisions of the **Uninsured Working Expenses Clause**) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **Turnover** which but for that expenditure would have taken place during the **Indemnity Period** in consequence of the **Damage** but not exceeding the sum produced by applying the **Rate of Gross Profit** to the amount of the reduction thereby avoided

less any sum saved during the **Indemnity Period** in respect of such of the charges or expenses of the **Business** payable out of **Gross Profit** as may cease or be reduced in consequence of the **Damage** provided that if the **Sum Insured** by the item on **Gross Profit** be less than the sum produced by applying the **Rate of Gross Profit** to the annual **Turnover** (or to a proportionately increased multiple thereof where the **Maximum Indemnity Period** exceeds 12 months) the amount payable shall be proportionately reduced.

### Gross Revenue/Estimated Gross Revenue Basis of Loss Settlement

The insurance under this item is limited to;

- a) loss of **Gross Revenue** and
- b) Increase in Cost of Working

and the amount payable as indemnity thereunder shall be:

- (i) the amount by which **Gross Revenue** during the **Indemnity Period** shall fall short of the **Standard Gross Revenue** in consequence of the **Damage**
- (ii) the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **Gross Revenue** which but for that expenditure would have taken place during the **Indemnity Period** in consequence of the **Damage** but not exceeding the amount of the reduction in **Gross Revenue** thereby avoided

less any sum saved during the **Indemnity Period** in respect of such of the charges or expenses of the **Business** payable out of **Gross Revenue** as may cease or be reduced in consequence of the **Damage** provided that if the **Sum Insured** by the item on **Gross Revenue** be less than the **Annual Gross Revenue** (or a proportionately increased multiple thereof where the **Maximum Indemnity Period** exceeds 12 months) the amount payable shall be proportionately reduced.

### Gross Rentals/Estimated Gross Rentals Basis of Loss Settlement

The insurance under this item is limited to;

- a) loss of **Gross Rentals** and
- b) Increase in cost of working

and the amount payable as indemnity thereunder shall be:

- (i) in respect of loss of **Gross Rentals** the amount by which the **Gross Rentals** during the **Indemnity Period** shall

in consequence of the **Damage** fall short of the **Standard Gross Rentals**

- (ii) in respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **Gross Rentals** which but for that expenditure would have taken place during the **Indemnity Period** in consequence of the **Damage** but not exceeding the amount of the reduction in **Gross Rentals** thereby avoided

less any sum saved during the **Indemnity Period** in respect of such of the expenses and charges payable out of **Gross Rentals** as may cease or be reduced in consequence of the **Damage** provided that if the item on **Gross Rentals** be less than the **Annual Gross Rentals** (or a proportionately increased multiple thereof where the **Maximum Indemnity Period** exceeds 12 months) the amount payable shall be proportionately reduced.

#### Additional Increased Cost of Working Basis of Loss Settlement

The insurance under this item is limited to such further additional expenditure beyond that recoverable under paragraph b) of any of the above items insured hereby as **You** shall necessarily and reasonably incur during the **Indemnity Period** in consequence of the **Damage** for the sole purpose of avoiding or diminishing a reduction in **Turnover** or **Gross Revenue**.

#### Increase in Cost of Working Basis of Loss Settlement

The insurance under this item is limited to Increase in Cost of Working and the amount payable as indemnity thereunder shall be the additional expenditure necessarily and reasonably incurred by **You** in consequence of the **Damage** in order to prevent or minimise the interruption to the **Business** during the **Indemnity Period** provided that **Underwriters** shall not be liable for more than 50% of the **Sum Insured** during the first 3 months of the **Indemnity Period** and the balance in equal proportions monthly thereafter.

#### Accounts Receivable Basis of Loss Settlement

The insurance under this item is limited to;

- a) loss of **Accounts Receivable** and
- b) additional expenditure

and the amount payable as indemnity thereunder shall be:

- (i) in respect of loss of **Accounts Receivable** the difference solely due to the **Damage** between the amount of the **Accounts Receivable** at the date of the **Damage** and the total amount received in payment of them during the 12 months after the **Damage**
- (ii) in respect of additional expenditure the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of **Accounts Receivable** which but for that expenditure would have occurred in consequence of the **Damage** but not exceeding the amount which would otherwise have been payable under (a) above

provided that if at the time of the **Damage** the **Sum Insured** by this item be less than the total amount of the **Accounts Receivable** the amount payable shall be proportionately reduced.

#### Declaration Linked Clause

- a) **You** shall prior to each renewal furnish **Underwriters** with the **Estimated Gross Profit, Estimated Gross Revenue** or **Estimated Gross Rentals** as insured hereby for the financial year most nearly concurrent with the ensuing year of insurance
- b) The first and annual premiums in respect of each item on **Estimated Gross Profit, Estimated Gross Revenue** or **Estimated Gross Rentals** as insured hereby are provisional and are based on the **Estimated Gross Profit, Estimated Gross Revenue** or **Estimated Gross Rentals**

**You** shall provide **Underwriters** not later than 6 months after the expiry of each **Period of Insurance** with a declaration confirmed by **Your** auditors of the **Gross Profit, Gross Revenue** or **Gross Rentals** earned during the financial year most nearly concurrent with the **Period of Insurance**

Accountants may be substituted for Auditors in respect of companies exempt from audit requirements.

If any **Damage** shall have occurred giving rise to a claim for loss of **Gross Profit, Gross Revenue or Gross Rentals** the above mentioned declaration shall be increased by **Underwriters** for the purpose of premium adjustment by the amount by which the **Gross Profit, Gross Revenue or Gross Rentals** was reduced during the financial year solely in consequence of the **Damage**.

If the declaration (adjusted as provided above and proportionately increased where the **Maximum Indemnity Period** exceeds 12 months):

- (i) is less than the **Estimated Gross Profit, Estimated Gross Revenue or Estimated Gross Rentals** as insured hereby for the relative **Period of Insurance** the **Underwriters** will allow a pro rata return of the premium paid on the **Estimated Gross Profit, Estimated Gross Revenue or Estimated Gross Rentals** as insured hereby but not exceeding 50% of such premium
- (ii) is greater than the **Estimated Gross Profit, Estimated Gross Revenue or Estimated Gross Rentals** as insured hereby for the relative **Period of Insurance** You shall pay a pro rata addition to the premium paid on the **Estimated Gross Profit, Estimated Gross Revenue or Estimated Gross Rentals** as insured hereby
- (iii) Notwithstanding proviso (b) of Section 7 the liability of **Underwriters** shall in no case exceed in respect of **Gross Profit, Gross Revenue or Gross Rentals** 133.33% of the **Estimated Gross Profit, Estimated Gross Revenue or Estimated Gross Rentals** stated herein and in respect of each other item 100% of the **Sums Insured** by the said items or such other amounts as may be substituted therefore by memorandum signed by or on behalf of **Underwriters**

Part (a) of the **Premium Adjustment Clause** is deleted.

## Definitions Applicable to Section 7 - Business Interruption

### Accounts Receivable

The total amount of the balances debited to **Customers** in **your** accounts and declared in the statement last given under the provisions of the *Premium Adjustment Clause* after equitable allowances have been made for bad debts and for amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the **damage**) to **Customers** accounts in the period between the date of the said statement and the date of the **Damage**.

### Annual Gross Rentals

The **Gross Rentals** during the twelve months immediately before the date of the **Damage** to which such adjustments shall be made as may be necessary to provide for the trend of the **Business** and for variations in or special circumstances affecting the **Business** either before or after the **Damage** or which would have affected the **Business** had the **Damage** not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the **Damage** would have been obtained during the relative period after the **Damage**.

### Annual Gross Revenue

The proportional equivalent for a period of 12 months of the **Gross Revenue** realised during the period between the commencement of the **Business** and the date of the **Damage** to which such adjustments shall be made as may be necessary to provide for the trend of the **Business** and for variations in or other circumstances affecting the **Business** either before or after the **Damage** or which would have affected the **Business** had the **Damage** not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the **Damage** would have been obtained during the relative period after the **Damage**.

### Annual Turnover

The proportional equivalent for a period of 12 months of the **Turnover** realised during the period between the commencement of the **Business** and the date of the **Damage** to which such adjustments shall be made as may be necessary to provide for the trend of the **Business** and for variations in or other circumstances affecting the **Business** either before or after the **Damage** or which would have affected the **Business** had the **Damage** not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the **Damage** would have been obtained during the relative period after the **Damage**.

### Denial of Access

**Damage** to property within 1 (one) mile of the **Premises** which prevents the use of the **Premises** or access thereto whether **Your Premises** shall be **Damaged** or not (but excluding **Damage** to property of any supply undertaking from which **You** obtain electricity, gas or water or telecommunications services which prevent the supply of such services) shall be deemed to be loss resulting from **Damage** to property at the **Premises**.

### Estimated Gross Profit

The amount declared by **You** to **Underwriters** as representing not less than the **Gross Profit** which it is anticipated will be earned by the **Business** during the financial year most nearly concurrent with the **Period of Insurance** (or a proportionately increased multiple thereof where the **Maximum Indemnity Period** exceeds 12 months).

### Estimated Gross Rentals

The amount declared by **You** to **Underwriters** as representing not less than the **Gross Rentals** which it is anticipated will be earned by the **Business** during the financial year most nearly concurrent with the **Period of Insurance** (or a proportionately increased multiple thereof where the **Maximum Indemnity Period** exceeds 12 months).

### Estimated Gross Revenue

The amount declared by **You** to **Underwriters** as representing not less than the **Gross Revenue** which it is

anticipated will be earned by the **Business** during the financial year most nearly concurrent with the **Period of Insurance** (or a proportionately increased multiple thereof where the **Maximum Indemnity Period** exceeds 12 months).

### Gross Profit

The amount by which:

- a) the sum of the amount of the **Turnover** and the amounts of the closing **Stock** and work in progress shall exceed
- b) the sum of the amount of the opening **Stock** and work in progress and the amount of the **Uninsured Working Expenses**.

The amounts of the opening and closing Stocks (including work in progress) shall be arrived at in accordance with **Your** usual accounting methods with due provision being made for depreciation.

### Gross Rentals

The money paid or payable to **You** for tenancies and associated income derived from the letting of the **Premises**.

### Gross Revenue

The money paid or payable to **You** for services rendered in the course of the **Business** at the **Premises** less the amount of any **Uninsured Working Expenses**.

### Indemnity Period

The period beginning with the occurrence of the **Damage** and ending not later than the number of months thereafter stated in the **Schedule** during which the results of the **Business** shall be affected in consequence of the **Damage**.

### Maximum Indemnity Period

As stated in the **Schedule**.

### Outstanding Debit Balances

The total amount due to **You** at the date of the **Damage** less bad debts.

### Rate of Gross Profit

The **Rate of Gross Profit** earned on the **Turnover** during the period between the date of the commencement of the **Business** and the date of the **Damage** to which such adjustments shall be made as may be necessary to provide for the trend of the **Business** and for variations in or other circumstances affecting the **Business** either before or after the **Damage** or which would have affected the **Business** had the **Damage** not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the **Damage** would have been obtained during the relative period after the **Damage**

### Rent

Periodic payments made by or to **You** for the lease of the **Buildings** specified in the **Schedule**.

### Standard Gross Rentals

The proportional equivalent for a period equal to the **Indemnity Period** of the **Gross Rentals** realised during the period between the commencement of the **Business** and the date of the **Damage**.

To which adjustments shall be made as may be necessary to provide for the trend of the **Business** and for variation in or special circumstances affecting the **Business** either before or after the **Damage** or which would have affected the **Business** had the **Damage** not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the **Damage** would have been obtained during the relative period after the **Damage**.

### Standard Gross Revenue

The proportional equivalent for a period equal to the **Indemnity Period** of the **Gross Revenue** realised during the period between the commencement of the **Business** and the date of the **Damage** to which such adjustments shall be made as may be necessary to provide for the trend of the **Business** and for variations in or other circumstances affecting the **Business** either before or after the **Damage** or which would have affected the **Business** had the **Damage** not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the **Damage** would have been obtained during the relative period after the **Damage**

### Standard Turnover

The proportional equivalent for a period equal to the **Indemnity Period** of the **Turnover** realised during the period between the commencement of the **Business** and the date of the **Damage** to which such adjustments shall be made as may be necessary to provide for the trend of the **Business** and for variations in or other circumstances affecting the **Business** either before or after the **Damage** or which would have affected the **Business** had the **Damage** not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the **Damage** would have been obtained during the relative period after the **Damage**

### Turnover

The money paid or payable to **You** for goods sold and delivered and for services rendered in the course of the **Business** at the **Premises**.

## Extensions Applicable to Section 7 - Business Interruption

### Accidental Failure of Public Supply

Accidental total or partial failure of the public supply of:

- a) electricity at the terminal point of the supply undertaking's service feed to The **Premises**
- b) gas at the supply undertaking's meters at The **Premises**
- c) water at the supply undertaking's main stop cock serving The **Premises**
- d) telecommunications services at the incoming line terminals or receivers at The **Premises**  
in Great Britain or Northern Ireland but excluding any failure:
  - (i) resulting from **Your** wilful act or neglect
  - (ii) due to a deliberate act of the supply undertaking unless for the sole purpose of safeguarding life or protecting any part of the supply undertaking system
  - (iii) due to a scheme of rationing unless solely necessitated by **Damage** to the supply undertaking's generating or supply equipment
  - (iv) due to any industrial action or drought or
  - (v) which does not involve a cessation of supply for at least 30 (thirty) consecutive minutes in respect of a b and c above and 8 (eight) consecutive hours in respect of d above.

Provided that the **Underwriters** liability shall not exceed in respect of any one loss 10% of the **Sum Insured** or £25,000 whichever is the lesser amount

### Contract Sites (not applicable to any Revenue item)

Any situation not in the occupation of the Insured where the Insured are carrying out a contract subject to a limit of 20% of the Gross Profit Sum Insured or £75,000, whichever is less.

### Customers (not applicable to any Revenue item)

The premises of any of the Insured's customers but excluding the premises of any separately specified customer subject to a limit of 20% of the Gross Profit Sum Insured or £100,000, whichever is less

### Exhibition Sites

Any exhibition site where the Insured are exhibiting goods or services, excluding any such site under canvas or in the open subject to a limit of 20% of the Gross Profit Sum Insured or 20% of the Revenue Sum Insured or £75,000, whichever is less.

### Loss of Attraction

Damage to property in the vicinity of the Premises by any cause insured under the Property Damage Section which directly causes a loss of custom to the Business, subject to a limit of £50,000 or 10% of the Gross Profit Sum Insured or 10% of the Revenue Sum Insured, whichever is the lower, in respect of the total of all losses occurring during the Period of Insurance, unless otherwise stated in the Schedule.

### Moulds, Tools and Dies

Moulds, tools and dies belonging to the Insured or for which the Insured are responsible whilst at the Premises or at any premises not in the occupation of the Insured or in transit by road, rail or inland waterway subject to a limit of £100,000.

## National Lottery

The Insurer will indemnify the Insured in respect of any additional expense the Insured incurs to prevent or limit the reduction in Income during the Indemnity Period due to an Employee or group of Employees resigning from his/her or their post(s) within the Insured's business as a direct consequence of their securing a jackpot win in the National Lottery prize draw including:

- a) recruitment and additional overtime costs
- b) the cost of employing temporary staff for amounts in excess of permanent full time rates of payment.

The Insurer will not indemnify the Insured unless

- (i) the individual or all individuals resign within 14 days of the successful prize draw date  
and
- (ii) the amount won by any one Employee is not less than £100,000.

For the purposes of this Extension

- a) Indemnity Period shall mean the period during which the Business results are affected due to an Employee or group of Employees resigning from his/her or their post(s) within the Business as a direct consequence of their securing a jackpot win in the National Lottery prize draw, starting from the date of the first departure.
- b) Maximum Indemnity Period shall mean one month

The maximum the Insurer will pay under this Extension is £25,000 in respect of any one week's jackpot prize and £25,000 in any one Period of Insurance in respect of all jackpot prizes.

## Prevention of Access Clause

This section is extended to include prevention of access to the **Premises** resulting in interruption of the **Business** in consequence of **Damage** to property within 1 (one) mile of the **Premises** provided such **Damage**, had it occurred at the **Premises**, would have been classed as an **Insured Event** (but excluding **Damage** to property of any supply undertaking from which **You** obtain electricity, gas or water or telecommunications services which prevents the supply of such services).

Provided that the **Underwriters** liability shall not exceed in respect of any one loss 10% of the **Sum Insured** or **£50,000** whichever is the lesser amount.

## Property Stored

Property of the Insured whilst stored elsewhere than at the Premises occupied by the Insured subject to a limit of 10% of the Gross Profit Sum Insured or 10% of the Revenue Sum Insured or £50,000, whichever is less.

## Suppliers (not applicable to any Revenue item)

The premises of any of the Insured's suppliers, manufacturers or processors of components, goods or materials, but excluding the premises of any separately specified supplier or of any supply undertaking from which the Insured obtain electricity, gas, water or telecommunications services subject to a limit of 20% of the Gross Profit Sum Insured or £100,000 whichever is less.

## Transit

Property of the Insured whilst in transit by road, rail or inland waterway subject to a limit of 10% of the Gross Profit Sum Insured or 10% of the Revenue Sum Insured or £10,000, whichever is less.

## Contingencies

### Additional Business Interruption Contingency

- a) the outbreak of food or drink poisoning causing illness in humans at the Premises or attributable to food or drink supplied from the Premises
- b) the discovery of an organism at the Premises likely to result in the outbreak of food or drink poisoning causing illness in humans
- c) the outbreak of Legionellosis at the Premises
- d) the discovery of vermin or pests at the Premises
- e) any accident causing defects in the drains or other sanitary arrangements at the Premises
- f) the occurrence of murder, suicide or rape at the Premises which causes restrictions on the use of the Premises on the order of a competent local authority during the Period of Insurance.

Any reference to an Event within the Section of the Policy to which this Extension relates shall, for the purposes of this Extension, mean the restrictions (or series of related restrictions) imposed on the use of the Premises by the competent local authority resulting from any outbreak, occurrence, discovery or accident constituting any of the aforementioned Contingencies. An Event will be deemed to occur on the date on which the restrictions associated with the Contingency are first imposed on the use of the Premises, irrespective of the period of time during which such restrictions remain in place and whether they are lifted and re-imposed or varied at a later date.

However, the Policy requirement that the Insured shall have in force an insurance covering its interest in the property at the Premises against such Event shall be deemed to have been complied with if the Insured has a valid claim under this Extension.

## Definitions

### Legionellosis means:

Human illness resulting from the discharge, release or escape of legionella from water tanks, water systems, air-conditioning plants, cooling towers and the like at the Premises.

### Indemnity Period means:

The period during which the results of the Business shall be affected in consequence of any Contingency, beginning with the date from which the restrictions on the use of the Premises are first imposed and ending not later than the Maximum Indemnity Period thereafter. The Indemnity Period shall comprise a single, continuous period. It cannot be divided into more than one period or increased so as to exceed the Maximum Indemnity Period, where restrictions on the use of the Premises forming part of the Contingency are lifted and then reimposed at a later date or otherwise varied over time.

### Maximum Indemnity Period means

1 month

### Premises means:

Premises as defined in this Section and occupied by the Insured within the United Kingdom (excluding any Situation or Property shown in the Extensions to this Section).

## Special Conditions

- a) The Insurer shall not be liable under this Extension for any Business Interruption
- (i) that does not involve use of the Premises being restricted on the order of a competent local authority for at least 12 consecutive hours
  - (ii) incurred during any period other than the actual period during which use of the Premises is restricted on the order of the competent local authority
  - (iii) where the restrictions (or series of related restrictions) on the use of the Premises were first imposed prior to the Period of Insurance
  - (iv) to the extent that the same or similar loss would have been suffered as a result of restrictions imposed or advice given by a competent authority (including at local and governmental level) due to any outbreak of food or drink poisoning causing illness in humans or Legionellosis, or discovery of an organism likely to result in food or drink poisoning causing illness in humans or Legionellosis, or the presence of vermin or pests, occurring or extending beyond the Premises.
- b) The Insurer shall not be liable under this Extension for any costs incurred in the decontamination, cleaning, repair, replacement, recall or checking of any property.
- c) The liability of the Insurer under this Extension shall not exceed £100,000 in total in respect of all Events combined occurring during any one Period of Insurance, irrespective of whether such Events arise out of the same or different Contingencies or involve more than one Premises. For the avoidance of any doubt, and notwithstanding any provision of the Policy to the contrary, the limit of liability will not be reinstated following a claim, such that any payment made on a claim under this Extension shall reduce the limit of liability available in respect of other claims under this Extension.

The Insured, in so far as is reasonably practical, shall ensure compliance with the Health and Safety Executive's Approved Code of Practice – Legionnaire's Disease: The control of legionella bacteria in water systems, and any supplementary, replacement or amending Code of Practice issued by the Health and Safety Executive. Payment of any claim arising out of Contingency C (Legionellosis) is conditional upon compliance with this Code of Practice.

## Conditions Applicable to Section 7 - Business Interruption

### Alternative Trading Clause

If during the **Indemnity Period** goods shall be sold accommodation provided or services shall be rendered elsewhere than at the **Premises** for the benefit of the **Business** either by **You** or others on **Your** behalf the money paid or payable in respect of such sales accommodation or services shall be brought into account in arriving at the **Turnover Gross Revenue** or **Gross Rentals** during the **Indemnity Period**.

### Automatic Reinstatement of Sum Insured Clause

In the event of loss the **Sum Insured** by this Section will be automatically reinstated from the date of the loss unless written notice is given to the contrary either by **Underwriters** or by **You**. **You** undertake to pay such necessary premiums as may be required for such reinstatement from that date.

### Fines, Damages and Liabilities Clause

The **Underwriters** shall not be liable for any loss due to fines, penalties, damages or liabilities incurred by **You**

### Other Insurances

If at the time of **Damage** resulting in a loss under this section there be any other insurance effected by **You** or on **Your** behalf covering such loss or any part of it the liability of the **Underwriters** hereunder shall be limited to its rateable proportion of such loss.

### Payments on Account Clause

Payments on account may be made to **You** monthly during the **Indemnity Period** if desired.

### Premium Adjustment Clause

- a) The premium paid hereon may be adjusted on receipt by **Underwriters** of a declaration of **Gross Profit, Gross Revenue** or **Gross Rentals** earned during the financial year most nearly concurrent with the **Period of Insurance** as reported by **Your** auditors.

If any incident shall have occurred giving rise to a claim for loss of **Gross Profit, Gross Revenue** or **Gross Rentals** the above mentioned declaration shall be increased by **Underwriters** for the purpose of premium adjustment by the amount by which the **Gross Profit, Gross Revenue** or **Gross Rentals** was reduced during the financial year solely in consequence of the **Damage**.

If the declaration (adjusted as provided for above and proportionately increased where the **Maximum Indemnity Period** exceeds 12 months) is less than the **Sum Insured** on **Gross Profit, Gross Revenue** or **Gross Rentals** for the relative period of insurance the **Underwriters** will allow a pro rata return of premium not exceeding 50% of the premium paid.

Accountants may be substituted for Auditors in respect of companies exempt from credit requirements

- b) **You** must where **Accounts Receivable** are insured by this section, within 30 days of the end of each month deposit with **Underwriters** a signed statement showing the total amount of the balance in **Your** accounts debited to **Customers** and remaining unpaid as at the end of the said month

In the event of the average amount of the said signed statements during any annual **Period of Insurance** being less than the **Sum Insured** by the item on **Accounts Receivable** a pro rata return of premium not exceeding 50% of the premium paid on such **Sum Insured** for such **Period of Insurance** will be made in respect of the difference.

### Professional Accountants Clause

Any particulars or details contained in **Your** books of account or other business books or documents which may be required by **Underwriters** under part (c) of **Claims –Your Duties** for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for **You**. Their report shall be prima facie evidence of the particulars and details to which such report relates.

**Underwriters** will pay the reasonable charges made by **Your** professional accountants for producing such particulars. Provided the total liability of **Underwriters** shall not exceed the **Sum Insured** stated in the **Schedule**.

### Property Damage Cover

The **Insurer** will not indemnify the **Insured** under section 8 unless:

- a) there is in force at the time of **Damage** an insurance policy covering the **Insured's** interest in the **Property Insured** at the **Insured Premises** for the **Damage**;
- and;
- b) payment has been made or liability admitted by the **Insurer** for such **Damage** or payment would have been made or liability would have been admitted by the **Insurer** for such **Damage** but for the exclusion of losses stated in the **Policy**.

### Trend of Business Clause

Adjustment for trend of the **Business** shall be made so that the figures represent the true results which but for the **Accident** would have been obtained during the relative period thereafter.

Applicable to all items other than any item on **Accounts Receivable**.

Following an **Insured Event** under this **Policy Underwriters** agree that if any **Property Insured** suffers **Damage** and in consequence the **Business** be interrupted or interfered with then **Underwriters** will pay to **You** in respect of each item in the **Schedule** the amount of loss resulting from such interruption provided that:

- a) at the time of the happening of the **Damage** there shall be in force an insurance covering the interest of **You** in the **Property Insured** against such **Damage** and that:
  - (i) payments shall have been made or liability admitted therefore or
  - (ii) **payment** would have been admitted therefore but for the operation of a proviso in such insurance excluding liability for losses below a specified amount
- b) the liability of **Underwriters** under this Section shall not exceed:
  - (i) in whole the total **Sum Insured** or in respect of any item its **Sum Insured** at the time of the **Damage**
  - (ii) the **Sum Insured** remaining after deduction for any other interruption consequent upon **Damage** occurring during the same **Period of Insurance** unless **Underwriters** shall have agreed to reinstate any such **Sum Insured**

Applicable to any item on **Accounts Receivable**;

Following an **Insured Event** under Section 1 of this **Policy Underwriters** agree that if any of **Your** books of account or other business books or records at the **Premises** be **Damaged** as to render it impossible for **You** to obtain from **Customers** all the sums due to **You** and outstanding at the date of the **Damage** then **Underwriters** will pay to **You** the amount that **You** may be entitled to recover under the provisions of this Section provided the liability of **Underwriters** under this Section shall not exceed:

- a) in the whole the total **Sum Insured** or in respect of any item its **Sum Insured** at the time of the **Damage**
- b) the **Sum Insured** remaining after deduction for any other interruption consequent upon **Damage** occurring during the same **Period of Insurance** unless **Underwriters** shall have agreed to reinstate any such **Sum Insured**

#### Uninsured Working Expenses Clause

If any working expenses of the **Business** are not insured by this Section (having been deducted in arriving at the **Gross Profit** as defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of any additional expenditure shall be brought into account which the **Gross Profit** bears to the sum of the **Gross Profit** and the **Uninsured Working Expenses**.

## Section 8: Book Debts

### Definitions

#### Event

Damage to the Insured's Records by an Event covered under Section 1 Property Damage of this Policy

- a) at the Premises
- b) at any premises in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands occupied by persons acting on behalf of the Insured, to which Records have been temporarily removed
- c) in transit, including sea or air transit, within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands, but excluding such Damage by theft or attempted theft.

#### Outstanding Debit Balances

The total recorded by the Insured under the provisions of the Outstanding Debit Recording Condition adjusted for

- a) bad debts
- b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the Insured's books at the time of the Event) to customers' accounts in the period between the date to which the total last recorded relates and the date of the Event
- c) any abnormal condition of trade which had or could have had a material effect on the Business.

so that the adjusted figures represent as near as reasonably practicable those which but for the Event would have been obtained at the date of the Event had the Event not occurred.

#### Records

The Insured's books of account or other business books or records.

#### Cover

The Insurer will pay the Insured for Outstanding Debit Balances if in consequence of an Event the Insured are unable to trace or establish Outstanding Debit Balances in whole or in part.

#### Basis of Settlement

The insurance under this Section is limited to loss sustained by the Insured directly due to the Event and the amount payable shall not exceed.

- a) the Total Sum Insured
- b) the difference between
  - (i) the Outstanding Debit Balances, and
  - (ii) the total of the amounts received or traced in respect of such balances
- c) the additional expenditure incurred with the Insurer's previous consent in tracing and establishing customers' debit balances after the Event.

## Automatic Reinstatement

In the absence of written notice by the Insured or the Insurer, in consideration of the Sum Insured not being reduced by the amount of any claim from the date of the Event, the Insured will pay the appropriate additional premium due for the period from the date of the Event to expiry of the Period of Insurance, but this shall not apply in respect of theft or attempted theft.

## Basis of Settlement Adjustments

In calculating the amount the Insurer will pay the Insured, adjustments shall be made in accordance with the following clauses.

### a) Accountants' Charges

If the professional accountants of the Insured produce any particulars or details required by the Insurer from the Insured's books of account or other business books or documents, or any other proofs, information or evidence, the Insurer will pay the Insured the reasonable charges payable by the Insured to their professional accountants, provided that the sum of such reasonable charges and any other amount payable under this Section shall not exceed the liability of the Insurer under this Section.

## Section Exclusions

The Policy Exclusions apply to this Section.

## Section Conditions

The Policy Conditions apply to this Section and in addition:

### Alteration

Unless the Insurer agrees in writing, cover under this Section shall automatically cease if during the Period of Insurance

- a) the Business is wound up or carried on by a liquidator or receiver or permanently discontinued
- b) the interest of the Insured ceases other than by death

### Outstanding Debit Recording

At the end of each month the Insured shall record the total amount outstanding in customer's accounts at that time, and keep a copy of such records at a place other than the Insured's Premises.

## Section 9: Additional Computer Cover

### Definitions

#### Computer Equipment

All computer and ancillary equipment belonging to the Insured or for which they are responsible including associated data carrying materials but excluding programs or information recorded thereon.

#### Indemnity Period

The period beginning with the discovery of erasure, distortion or corruption and ending within the number of months shown in the Schedule.

#### Cover

The insured will indemnify the Insured up to the Sums Insured shown in the Schedule in respect of:

#### Damage to Computer Equipment

Damage to Computer Equipment by its own overrunning, excessive pressure, short circuiting, mechanical breakdown, failure, derangement or self-heating directly caused by:

- a) accidental failure of electricity or telecommunication services
- b) denial of access as a result of damage in the vicinity of the Insured's Premises

#### Accidental and Malicious Erasure

The cost of repurchasing or reinstating software programs or data information used with the Computer Equipment following accidental or malicious erasure, distortion or corruption of the program or information arising from Damage as specified in A. Damage to Computer Equipment which occurs during the Period of Insurance and is discovered within twelve months of its occurrence.

#### Increased Cost of Working

Additional expenditure necessarily and reasonably incurred by the Insured during the Indemnity Period for the sole purpose of avoiding or diminishing interruption of or interference with the Business which but for such expenditure would have taken place in consequence of B. Accidental and Malicious Erasure, less any sum saved during the Indemnity Period in respect of business expenses and charges which cease or are reduced.

#### Basis of Settlement – Reinstatement

In the event of loss of or damage to Computer Equipment the basis upon which the amount payable is to be calculated shall be the Reinstatement of the property or part thereof.

Reinstatement shall mean:

- a) the cost of repair or replacement of the lost or Damaged part of the property to a condition equal to but not better or more extensive than its condition when new. When replacement parts are not available from the manufacturers or their agents, the Insurer's liability shall be limited to the cost of an equivalent repair to similar property of current manufacture
- b) where the property is lost or in the opinion of the Insurer damaged beyond repair its replacement by new property of equal specification. Where property of equal specification is not available the Insurer will pay for similar replacement property with the nearest higher specification.

Replacement should be carried out in this way with reasonable dispatch. No payment will be made until the cost is

actually incurred.

If at the time of Reinstatement the sum representing eighty five per cent of the cost which would have been incurred in reinstating the whole of the property exceeds the value of the property shown in the Schedule then the Insured shall be his own insurer for the difference and shall bear a proportionate amount of the loss accordingly.

## Extensions

### Auditor's Fees

Cover C. Increased Cost of Working is extended to include reasonable fees payable by the Insured to their auditors for producing the particulars of any claim as may be required by Policy Condition (Claims – Action by the Insured) of this Policy.

### Additional Rental Charge

The Insurer will indemnify the Insured for any reasonable increase in existing Computer Equipment rental lease or hire charges payable for the 24 month period immediately following an insured Breakdown.

The maximum the Insurer will pay under this extension is £5,000.

### Consulting Engineers' Fees and Claims Investigation Costs

The Insurer will indemnify the Insured for reasonable costs incurred including consulting engineers' fees in investigating possible repairs (whether or not successful) and/or the reinstatement of an item of Computer Equipment following Breakdown.

The maximum the Insurer will pay under this extension is £5,000.

### Incompatibility of Computer Records

If Breakdown results in the replacement of Computer Equipment with Computer Equipment which is incompatible with the Insured's undamaged computer system records the Insurer will indemnify the Insured against:

- a) costs of modification of the Computer Equipment
- b) costs of replacing and/or reinstating computer system records reasonably incurred to achieve compatibility.

The maximum the Insurer will pay under this extension is £5,000.

### Removal of Debris/Protection from Further Damage

The Insurer will indemnify the Insured against the costs incurred in:

- a) removing debris and/or dismantling and/or demolishing any item of Computer Equipment following Breakdown
- b) protecting any item of Computer Equipment whether damaged or not provided that this is necessitated by Breakdown.

The maximum the Insurer will pay under this extension is £5,000.

### Temporary Repairs and Expediting Permanent Repairs

The Insurer will indemnify the Insured against reasonable costs incurred in making a temporary repair or in expediting a permanent repair to an item of Computer Equipment following Breakdown.

The maximum the Insurer will pay under this extension is £5,000.

## Section Exclusions

The Policy Exclusions of this Policy apply to this Section and in addition it does not cover:

#### **Maintenance/Faulty Workmanship**

Loss due to or resulting from

- a) maintenance and/or replacement of consumables
- b) scratching of painted or polished surfaces.

#### **Wear and Tear**

Wear and tear, erosion, corrosion or other deterioration caused by, or naturally resulting from, ordinary work, use or exposure.

#### **Heat Application**

Loss of or damage to any property occasioned by its undergoing any process involving the application of heat.

#### **Warranty Guarantee or Maintenance Agreement**

Loss, damage, costs or expenses recoverable by the Insured under the terms of any warranty, guarantee or maintenance contract.

#### **Utilities**

Additional expenditure incurred following:

- a) failure of the public supply of electricity due to the deliberate act of the supply authority or the exercise by the supply authority of its power to withhold or restrict supply unless necessitated by the need to safeguard life or protect a part of the supply authority's system
- b) failure of the telecommunication company's landlines due to
  - (i) a deliberate act to withhold or restrict access to the system
  - (ii) industrial action by the telecommunication company's employees
  - (iii) use of non-approved equipment.

#### **Excess**

The first £100 of each claim.

### **Section Conditions**

The Policy Conditions of this Policy apply to this Section and in addition

#### **Duplicate Programs/Data**

The Insured shall keep and maintain at regular intervals duplicate copies of all software programs and data information.

#### **Storage of Software/Data Materials**

The Insured shall store all software/data materials, discs and tapes in a safe place in accordance with the manufacturer's recommendations.

#### **Additional Claims Conditions**

- a) The Insurer may at its option repair, reinstate or replace what is Damaged or pay for the Damage in money
- b) The Insurer shall not be liable for the cost of any repairs undertaken without its written consent except in urgent cases where it has been necessary to put minor repairs in hand provided that
  - (i) the requirements of Policy Condition 4 (Claims – Action by the Insured) have been complied with
  - (ii) the repairs are carried out to the satisfaction of the Insurer
  - (iii) any parts replaced are kept for inspection by the Insurer.

# Section 10: Theft by Employee

## Definitions

### Acting in Collusion

All circumstances where 2 or more Employees are concerned or implicated together or materially assist each other in committing the acts of Theft.

### Date of Acceptance

- a) the commencement date of the first Period of Insurance or
- b) the date on which the Employee enters into a contract of service or apprenticeship with the Insured whichever is the latest.

### Employee

- a) Any person under a contract of service or apprenticeship with the Insured or
- b) undergoing training under any Government approved training scheme under the control of the Insured in connection with the Business whilst in the service of the Insured
- c) normally resident in the Territorial Limits
- d) who is a director of the Insured if such person
  - (i) is also employed by the Insured under a contract of service and
  - (ii) controls no more than 5% of the issued share capital of the Insured company or of any subsidiary of the Insured company
- e) who is retired from full-time employment with the Insured who is working for the Insured as a consultant under the control or direction of the Insured.

### One Claim

All acts of Theft throughout the continuation of this insurance (or any insurance issued in substitution therefore or for which this insurance is substituted) committed by one individual Employee or by 2 or more Employees Acting in Collusion.

### Territorial Limits

Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.

### Theft

Any act of fraud or dishonesty by any Employee committed with the clear intent of obtaining an improper financial gain for themselves or for any other person or organisation intended by the Employee to receive such gain other than salaries, fees, commission or other employee benefit earned in the normal course of employment.

### Cover

The Insurer will pay the Insured for direct loss of Money or goods belonging to the Insured or for which they are legally responsible caused by any act of Theft committed during the continuation of this Section by any Employee described in the Schedule under this Section and discovered no later than 24 months after

- a) the termination of this Section

- b) the termination of the insurance in respect of any Employee whichever occurs first.

## Basis of Settlement

The amount payable by the Insurer as indemnity to the Insured shall be the value of the Money or the goods at the time of the loss or at the Insurer's option the replacement or reinstatement of such goods.

## Limit of Indemnity

The liability of the Insurer under this Section:

- a) in respect of any One Claim
- (i) caused by one Employee shall not exceed the Limit of Indemnity stated in the Schedule applicable to that Employee
  - (ii) caused by 2 or more Employees Acting in Collusion shall not exceed the greater of the individual Limits of Indemnity stated in the Schedule applicable to the Employees involved
  - (iii) irrespective of the number of Periods of Insurance during which the insurance by this Section (and any insurance issued in substitution therefor) shall remain in force shall not exceed the Limit of Indemnity stated in the Schedule
- b) in respect of any one Period of Insurance shall not exceed the Aggregate Limit of Indemnity stated in the Schedule.

## Extensions

(Subject to the terms, limits, conditions and exclusions of this Section and the Policy)

a) **Auditors Fees and Rewriting of System Records**

As a direct result of loss of Money or goods resulting in a valid claim under this Section the Insurer will also pay for

- (i) auditors fees incurred with the Insurer's written consent solely to substantiate the amount of the claim
- (ii) the reasonable cost of rewriting or amending the software, programs or systems where such rewriting or amending is necessary to correct the programs or amend the security codes following the fraudulent use of computer hardware or software programs or computer systems the subject of a claim for which liability is admitted under this Section

provided that the total liability of the Insurer including any amount payable under the provisions of this Extension shall not exceed the Limit of Indemnity.

b) **Previous Insurance**

If this insurance immediately supersedes a fidelity insurance effected by the Insured (the "Superseded Insurance") the Insurer will indemnify the Insured in respect of any loss discovered during the continuation of this insurance but committed during the continuation of the Superseded Insurance if the loss is not recoverable thereunder solely because the period allowed for discovery has expired

Provided that

- (i) such insurance had been continuously in force from the time of the loss until inception of this Section

- (ii) the loss would have been insured by this insurance had it been in force at the time of the loss
- (iii) the liability of the Insurer shall not exceed

- the amount recoverable under the insurance in force at the time of the loss or
- the Limit of Indemnity under this insurance whichever is the less

In any event the total liability of the Insurer in respect of any one claim continuing through both the term of the Superseded Insurance and the continuation of this insurance shall not exceed the Limit of Indemnity applicable under this Section

## Section Exclusions

This Section does not cover the following:

- a) loss of interest or consequential loss of any kind.
- b) loss caused by any act of any Employee committed prior to the Date of Acceptance applicable to that Employee.
- c) loss where the Insured continues to entrust the defaulting Employee with money or goods after becoming aware of any material fact bearing on the honesty of the said Employee.
- d) if there is any change in the nature of the Business unless such change is agreed by the Insurer in writing.
- e) any unexplained shortages.
- f) the Excess.

## Section Conditions

The Policy Conditions apply to this Section.

In addition the following Conditions apply to this Section:

### Cessation of Cover

Immediately following the discovery by the Insured of any act of Theft by an Employee all liability for further acts of Theft by that Employee shall cease.

### Claims (Action by the Insured)

On the discovery of any act which may give rise to a claim the Insured shall

- a) notify the Insurer immediately
- b) notify the police authority immediately and take all practical steps to discover any guilty person and to trace and recover the money and goods
- c) carry out and permit to be taken any action which may be reasonably practicable to prevent further loss
- d) deliver to the Insurer at their own expense within 30 days after such act, or such further time as the Insurer may allow:
  - (i) full information in writing of the Money or goods lost and of the amount of the loss
  - (ii) details of any other insurances on any Money or goods hereby insured

(iii) all such proofs and information relating to the claim as may be reasonably required

(iv) if demanded a statutory declaration of the truth of the claim and of any matters connected with it.

No claim under this Section shall be payable unless the terms of this Section condition have been complied with.

### Non Contribution

If  
a) at the time of loss of Money or goods for which the Insured is legally responsible, or

b) at the time a claim arises for Money or goods for which the Insured is legally responsible

the Insured is, or would but for the existence of this insurance, be entitled to indemnity under any other insurance or to recover under any guarantee or indemnity fund the Insurer shall not be liable except in respect of any excess beyond the amount which would have been payable under such other insurance, guarantee or fund had this insurance not been effected.

### Employee's Money

Any Money of the Employee in the Insured's hands upon discovering of any loss and any Money which but for the Employee's theft would have been due to the Employee from the Insured shall be deducted from the amount of the loss before a claim is made under this insurance.

### Recoveries of further monies

Any recoveries effected by the Insured less any costs incurred in recovery shall accrue

a) in the event that the Insured's claim has exceeded the Limit of Indemnity firstly to the benefit of the Insured to reduce or extinguish the amount of the Insured's loss (but not in respect of the amount of the Excess)

b) thereafter to the benefit of the Insurer to the extent of the claim paid or payable

c) finally to the benefit of the Insured where Excess had been deducted from the claim.

### Minimum Standards of Control

It is a condition precedent to liability that the Insured must comply with the Minimum Standards of Control below

a) **All Employees** must be instructed as to their duties and responsibilities in respect of the Minimum Standards of Control and compliance enforced

b) **Money**

(i) Cash Receipts - Employees are required to pay in daily all cash and cheques received in the course of the Business. Money received must be paid over to the employer or banked.

(ii) Cash and Petty Cash - cash in hand and petty cash must be checked independently of Employees responsible at least monthly and additionally without warning every 6 months.

(iii) Reconciliation - bank statements stamped bank paying slips receipts counterfoils and vouchers must be checked at least monthly against cash book entries and the balance tested with cash and unrepresented cheques. This must be done independently of the Employee

- i. making the cash book entries
- ii. signing cheques
- iii. paying into the bank.

(iv) "Cheques" signing - all cheques or other bank instruments drawn for more than £10,000 must be manually signed by 2 authorised persons after the amount has been inserted and the Insured must have advised their bankers accordingly.

(v) No cheque or instrument must be signed until one signatory has validated the requisition examined the supporting documentation and ensured the payee is a genuine client or creditor.

(vi) Wages - wages and salary sheets must be checked independently of the Employees responsible for their preparation to ensure that the amounts are correct and that no fictitious names have been included

c) **Stock**

Stocktaking - there must be a physical check on all stock and materials held against verified stock records independently of Employees responsible at intervals of not more than 12 months.

d) **Computer Security**

(i) All computer operations and security precautions must have been vetted by professional auditors and any recommendations made fully complied with.

(ii) All Employees with access to wage accounts or stock control functions must have a secure individual password to access the system which must be changed at least every 6 months.

(iii) All computer media (disc tapes etc) in respect of wages accounts or stock control must be securely stored in locked cabinets when not in use by authorised Employees.

e) **Auditors**

The accounts of the Insured, including all subsidiary companies, must be examined by external auditors every 12 months. All recommendations or alternative acceptable to the auditors must be implemented without delay.

f) **References**

The Insured must obtain satisfactory references to confirm the honesty of each Employee who will be responsible for Money, goods, accounts, computer operations or computer programming.

Such references must be obtained directly from former employers for the 3 years immediately preceding engagement and before the Employee is entrusted without supervision. Any gaps in service must be accounted for.

References need not be obtained in respect of Employees who have satisfactorily and continuously served the Insured for at least three 3 in another capacity before being entrusted with the duties referred to above.

In respect of Employees joining directly from School or Government sponsored youth training schemes one character reference shall be obtained.

A written report of any verbal reference shall be made at the time it is obtained. The original copy of each written reference and the record of any verbal reference shall be retained by the Insured and shall be made available for inspection by the Insurer upon request.

g) **Termination of Service**

Upon the termination of service of any Employee the Insured shall take all reasonable precautions to prevent a loss as insured by this Section, including but not limited to:

- (i) the changing of all alarm and other security codes or passwords the Employee had or may have had knowledge of
- (ii) the deletion or invalidation of any access codes or passwords the Employee has to access computer or other systems.

## Sections 1 - 10: Policy Exclusions

The following **Policy** Exclusions are applicable to all sections unless otherwise stated:

### Asbestos Exclusion

This **Policy** does not cover any loss, **Injury, Damage**, cost or expense directly or indirectly arising out of, resulting as a consequence of, or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of or exposure to Asbestos or materials or products containing asbestos whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

### Biological or Chemical Materials Exclusion

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

### Burning of Waste Exclusion

**You** must ensure that no burning of waste is carried out on the **Premises** otherwise all **Damage** arising from or caused by **Defined Perils** of fire and explosion will be excluded – unless otherwise agreed by Insurers.

### Contamination and Pollution Exclusion

- a) This **Policy** shall not cover any liability, loss or **Damage** due to contamination, soot, deposit, impairment with dust, chemical precipitation, poisoning, epidemic and disease including but not limited to foot and mouth disease, pollution, adulteration or impurification or due to any limitation or prevention of the use of objects because of hazards to health.
- b) This Exclusion does not apply if such loss or **Damage** arises out of one or more of the following perils;
  - (i) Fire, lightning, explosion, impact of aircraft
  - (ii) vehicle impact, sonic boom
  - (iii) accidental escape of water from any tank, apparatus or pipe
  - (iv) riot, civil commotion, malicious damage
  - (v) storm, hail
  - (vi) flood inundation
  - (vii) earthquake
  - (viii) landslide, subsidence
  - (ix) pressure of snow, avalanche
  - (x) volcanic eruption
- c) All other terms and conditions of this **Policy** shall be unaltered and especially the exclusions shall not be superseded by this clause.

### Communicable Disease Endorsement

- a) Notwithstanding any other provision, clause or term of this Policy to the contrary, this policy does not insure any loss, damage, liability, claim, cost, expense or other sum of any kind, whether directly or indirectly and/or in whole or in part, relating to or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
- b) For the purposes of this [exclusion], loss, Damage, liability, claim, cost, expense or other sum, includes, but is not

limited to, any cost to clean-up, detoxify, remove, monitor or test:

(i) for a Communicable Disease, or

(ii) any property insured hereunder that is affected by a Communicable Disease.

(iii) As used herein:

- i. "Communicable Disease" means any infectious disease, contagious disease or communicable disease or any other disease which can be transmitted by means of any substance and/or agent from any organism to another organism where:
  1. the disease, substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation or mutation thereof, whether deemed living or not, and
  2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
  3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of tangible or intangible property insured hereunder.
- ii. "relating to" means relating to, in connection with, arising under, arising out of, as a result of, as a consequence of, attributable to, and any other term commonly used and/or understood to reflect or describe a nexus and/or connection from one thing to another whether direct or indirect.

This [exclusion] applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the policy remain the same.

### Institute Radioactive Contamination Exclusion

This clause shall be paramount and shall override anything contained in this **Policy** inconsistent therewith:

In no case shall this **Policy** cover loss **Damage** liability or expense directly or indirectly caused by or contributed to by or arising from;

- a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- c) any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

### Micro-Organism Exclusion

This **Policy** does not cover any loss **Damage** claim cost expenses or other sum directly or indirectly arising out of or relating to mould, mildew, fungus, spores or other micro-organism of any type, nature or description including but not limited to any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless whether there is;

- a) any physical loss or **Damage** to Insured Property
- b) any **Defined Peril** or cause whether or not contributing concurrently or in any sequence
- c) any loss of use occupancy or functionality

- d) any action required including but not limited to repair replacement removal clean-up abatement disposal relocation or steps taken to address medical or legal concerns.

This Exclusion replaces and supersedes any provision in this **Policy** that provides insurance, in whole or in part, for these matters.

### Northern Ireland Overriding Exclusion

Notwithstanding anything within the **Policy** or in any extensions thereof it is hereby declared and agreed that as an exclusion overriding all other terms (including the nature and terms of perils insured against) this **Policy** does not cover loss or destruction of or **Damage** to any property in Northern Ireland or loss resulting there from caused by or happening through or in consequence directly or indirectly of;

- a) civil commotion
- b) any unlawful, wanton or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any Unlawful Association

In any action suit or other proceedings where **Underwriters** allege that by reason of the provisions of this exclusion any loss, destruction or **Damage** or **Consequential Loss** is not covered by this **Policy** the burden of proving that such loss is covered shall be upon **You**.

### Nuclear Energy Risks Exclusion

This **Policy** shall exclude Nuclear Energy Risks whether such risks are written directly and/or via Pools and/or Associations.

For the purpose of this **Policy** Nuclear Energy Risks shall be defined as all first party and or third party insurances in respect of;

- a) nuclear reactors and nuclear power stations or plant.
- b) any other premises or facilities whatsoever related to or concerned with:
  - (i) the production of nuclear energy or
  - (ii) the production or storage or handling of nuclear fuel or nuclear waste
- c) any other premises or facilities eligible for insurance by any local Nuclear Pool and/or Association.

### Portable Heaters Exclusion

**You** must not use or store on the **Premises** portable electric (Other than in offices), paraffin, or gas heaters or gas containers unless specifically agreed in writing by the **Underwriters** prior to such use or storage otherwise all **Damage** arising from or caused by **Defined Perils** of fire and explosion will be excluded.

### Property Cyber and Data Exclusion

- a) Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
  - (i) Cyber Loss;
  - (ii) loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data;regardless of any other cause or event contributing concurrently or in any other sequence thereto.

- b) In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- c) This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss or Data, replaces that wording.

#### Definitions

- a) Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- b) Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- c) Cyber Incident means:
  - (i) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
  - (ii) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- d) Computer System means:
  - (i) any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.
- e) Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

#### Radioactive Contamination and Explosive Nuclear Assemblies Exclusion Clause

This Policy does not cover

- a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- b) any legal liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from

- (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- (ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

#### Sanction Limitation and Exclusion Clause

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

#### Sonic Bangs Exclusion

The insurance under this **Policy** does not cover **Damage** caused by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

### Terrorism Exclusion

Notwithstanding any provision to the contrary within this **Policy** or any endorsement thereto it is agreed that this **Policy** excludes loss, **Damage**, cost or expense of whatsoever nature directly or indirectly caused by, resulting from, arising out of or in connection with any act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this Endorsement an act of Terrorism means an act, including but not limited to use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, **Damage**, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of Terrorism.

If **Underwriters** allege that by reason of this exclusion, any loss, **Damage**, cost or expense is not covered by this **Policy** the burden of proving the contrary shall be upon **You**.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

### Unattended Machinery Exclusion

**You** must ensure that **Machinery, Plant or Equipment** designed for the purpose of manufacturing or finishing is not operating when the **Premises** are left unattended otherwise all **Damage** arising from or caused by the **Defined Perils** of fire and explosion will be excluded - unless specifically agreed in writing by the **Underwriters** prior to such use of unattended machinery.

### War and Civil War Exclusion

Notwithstanding anything to the contrary contained herein this **Policy** does not cover loss or **Damage** directly or indirectly occasioned by happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

# Sections 1 - 10: Policy Conditions

## Adjustment of Premium

If the premium for the **Policy** has been calculated on estimates given by **You** then **You** must keep an accurate record containing all relevant particulars which will be made available to **us** for inspection on request

If requested should **You** fail to supply such a statement within one month of the expiry of the **Period of Insurance** **We** will be entitled if **We** so wish to charge an additional premium in respect of that **Period of Insurance**

## Arbitration

If any difference shall arise as to the amounts to be paid under this **Policy** (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions. Where any difference is by this Condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against the **Underwriters**.

## Asbestos

This **Policy** only insures asbestos physically incorporated in an insured building or structure, and then only provides indemnity in respect of that part of the asbestos which has been physically **Damaged** during the **Period of Insurance** by one of these **Defined Perils**;

Fire, lightning, explosion or aircraft (**Listed Perils**)

This coverage is subject to all limitations in the **Policy** to which this endorsement is attached and in addition to each of the following specific limitations;

- a) the said building or structure must be insured under this **Policy** for **Damage** by a **Listed Peril**.
- b) the **Listed Peril** must be the immediate sole cause of the **Damage** to the asbestos.
- c) the Insured must report to the **Underwriters** the existence and cost of the **Damage** as soon as practicable after the first discovery of the asbestos. However this **Policy** does not insure any such **Damage** first reported to the **Underwriters** more than 12 (twelve) months after the expiration or termination of the **Period of Insurance**.

This **Policy** shall provide no cover (whether for physical **Damage** business interruption delay of repair or other **Consequential Loss**) in respect of;

- (i) wear and tear or inherent defect, quality or vice in or of any asbestos
- (ii) any compliance with or breach of any legal or other duty or obligation (including without limitation any duty arising from any contract or statute, or any instruction, request or order of any court or governmental or regulatory authority) of any person in connection with the design manufacture installation use retention treatment management repair replacement or removal of any asbestos (**Damaged** or otherwise) or
- (iii) any asbestos which the **Listed Peril** has not physically **Damaged**.

## Breaches of Conditions Precedent

**We** will have no liability for any claim arising from a loss occurring, or attributable to something happening, after any breach of condition precedent but before such breach has been remedied.

**We** will not be liable for any claim arising in circumstances where compliance with a term (other than one defining the risk as a whole) would tend to reduce the risk of

- a) Loss, **Injury** or **Damage** of a particular kind,
- b) Loss, **Injury** or **Damage** at a particular location or
- c) Loss, **Injury** or **Damage** at a particular time

unless **You** establish that the non-compliance could not have increased the risk of the loss, **Injury** or **Damage** which actually occurred in the circumstances in which it occurred.

## Cancellation

- a) This Policy may be cancelled at any time by the **Insured**, giving notice in writing to **Your Insurance broker/Intermediary**.
  - (i) If the **Insured** cancels the Policy during the first 14 (fourteen) days of inception of receipt of the insurance documents or the start of the **Period of Insurance**, whichever is the earlier (the cooling off period), the **Insurer** will refund the premium paid if no claims have been made.
  - (ii) If the **Insured** wishes to cancel the Policy after expiry of the cooling off period specified in i) above, the **Insured** must give 14 (fourteen) days' notice by recorded delivery letter to the Underwriters. The **Insured** shall be entitled to a return of premium in respect of the unexpired portion of the **Period of Insurance** only.
  - (iii) If a claim has been submitted or paid or a circumstance notified to the Underwriters as being likely to give rise to a claim during the **Period of Insurance**, no refund of premium shall be given under any circumstances.
- b) This Policy may also be cancelled by the Underwriters:
  - (i) by sending 28 (twenty-eight) days' notice by recorded delivery letter to the last known address of the **Insured** stating the reason for cancellation, or
  - (ii) immediately if, after the start of the **Period of Insurance**, any business owned or operated by the **Insured** is wound up or carried on by a liquidator, receiver or administrator or permanently discontinued.

Where this Condition is exercised, the **Insured** is entitled to a return of premium in respect of the unexpired portion of the **Period of Insurance**, after any adjustment of the **Premium** paid as provided for by any conditions of this Policy, and subject to no claim having been paid or being outstanding (in whole or in part) in respect of the expired portion of the **Period of Insurance**. In the event of receipt of notice of cancellation by either party after a claim has been paid, any premium outstanding shall become immediately payable.

## Claims – Your Duties

On the happening of any event which may give rise to a claim **You** shall;

- a) General applicable to all Sections;
  - (i) notify the **Underwriters** immediately, but in any event within 30 days
  - (ii) make every reasonable effort to minimise any loss, **Damage** or liability and take appropriate emergency measures immediately if they are required to reduce any claim
  - (iii) inform the Police immediately and **Underwriters** within 14 days if the **Damage** is caused by thieves, malicious persons or vandals or by riot, civil commotion, strikes or labour disturbances
  - (iv) give all information and assistance the **Underwriters** may require in a timely manner
- b) Applicable to Section 1 – Material Damage;

Within 30 days or such further time as the **Underwriters** may in writing allow, deliver to the **Underwriters** a written

claim providing at the Insured's own expense, all details proofs and information regarding the cause and amount of **Damage** as the **Underwriters** may reasonably require including any other insurances on any **Property Insured** by this **Policy** and (if demanded) a statutory declaration of the truth of the claim and of any related matters.

If any **Property** by Section 1 is to be reinstated or replaced by the **Underwriters**, **You** shall at **Your** own expense provide all such plans documents books and information as may be reasonably required.

In certain circumstances **Underwriters** may require sight of freehold title or the lease which must be provided by **You** within 30 days of any such a request.

No claim under this Section shall be payable unless the terms of this condition have been complied with.

c) Applicable to Section 7 Rental Income

(i) **You** shall at **Your** own expense also provide the **Underwriters** with such books of account and other business books, vouchers, invoices, balance sheets, and other documents, proofs, information, explanations and other evidence as may reasonably be required by the **Underwriters** for the purpose of investigating or verifying such claim together with (if demanded) a statutory declaration of the truth of the claim and of any related matter.

No claim under this Section shall be payable unless the terms of this condition have been complied with and in the event of non compliance therewith in any respect any payment on account of the claim already made shall be repaid to the **Underwriters** immediately.

## Claims - Underwriters' Rights

The **Underwriters**;

- a) On the happening of **Damage** in respect of which a claim is made may without thereby incurring any liability or diminishing any of the **Underwriters**' rights under this **Policy** enter take or keep possession of the **Premises** where such **Damage** has occurred and take possession of or require to be delivered to the **Underwriters** any **Property** and deal with such property for all reasonable purposes and in any reasonable manner. No property may be abandoned to the **Underwriters** whether taken possession of by the **Underwriters** or not
- b) shall have full discretion in the conduct of any proceedings and in the settlement of any claim where **Underwriters** have agreed to provide indemnity under this **Policy**, or
- c) in the event the amount of claim is reduced under the Claims & Remedy Condition:
  - (i) **We** shall retain their sole rights to conduct the claim including the 's proportion but all defence costs shall be met by **Underwriters**, or
  - (ii) **You** may elect to conduct **Your** proportion of the claim and shall be responsible for **Your** own costs.

## Conditions Precedent

This policy contains a number of conditions precedent, please refer to **your Schedule** and any attached Endorsements for the conditions precedent to your policy

## Contracts (Rights of Third Parties) Act

The parties to this contract do not intend that any clause or term of this contract should be enforceable by virtue of the Contracts (Right of Third Parties) Act 1999 by any person who is not a party to this contract.

## Discharge of Liability

**We** may at any time pay the **Limit of Indemnity** or other applicable limit (after the deduction of any sum already paid) or any lesser amount for which a claim can be settled and will be under no further liability except for the payment of **Defence Costs** incurred prior to the date of such payment

## Excess

**We** will not be liable for the amount of the **Excess** stated in the **Schedule** in respect of the first amount of each and every claim

## Fraud

If any claim be in any respect fraudulent or if any fraudulent means or devices be used by the **Insured** or anyone acting on their behalf to obtain any benefit under this **Policy** or if any **Damage** be occasioned by the wilful act or with the connivance of the **Underwriters** shall be entitled:

- a) not to pay the claim,
- b) recover from **You** any sums paid by the **Underwriters** to **You** in respect of the claim, and
- c) to treat this **Policy** as being terminated with effect from the time of the fraudulent act.

If the **Policy** is treated as having been terminated the **Underwriters** shall be entitled to:

- a) refuse all liability to **You** under the **Policy** in respect of the relevant event occurring after the time of the fraudulent act, and
- b) not return any of the premiums paid under the **Policy**.

## Heat and Hot Works Clause

It is a condition precedent to our liability that:

- a) any work involving the application of heat is only carried out by a suitably experienced contractor;
- b) the contractor carrying out the work has public liability insurance in force at least to the same level as the Sums Insured on the Schedule to this Policy and that You confirm the same through sight of their certificate of insurance
- c) You do not waive any subrogation rights against the contractor at any time;
- d) You implement a documented system of Hot Works Permits whilst contractors are engaged in work involving the use of heat equipment on the Premises, which include, as a minimum, the following requirements:
  - i. the area in which the work is to be carried out must be cleared of any loose debris and all moveable combustible materials removed to a distance of not less than 6 (six) metres from the area of the proposed work prior to its commencement;
  - ii. if work is to be carried out overhead, the area beneath that work must be cleared of any loose debris and all moveable combustible materials removed to a distance of not less than 6 (six) metres from the area of the proposed work prior to its commencement;
  - iii. any combustible materials within 6 (six) metres of the area of the proposed work which cannot be moved are to be fully covered and protected by fire-proof blankets and/or screens;
  - iv. a suitable number of fire extinguishers with a total capacity of not less than 20 (twenty) litres must be kept available for immediate use and located no more than 2 (two) metres from the area of work;
  - v. a dedicated able bodied adult, with no other responsibilities, must be in attendance to keep a constant fire watch and to damp down the area of the proposed works whilst the Hot Work is being carried out and for at least 30 (thirty) minutes following any interruption to and/or cessation of the Hot Work;
  - vi. blow lamps and blow torches shall be lit for as short a time as possible before use and extinguished immediately after use;
  - vii. lighted blow lamps and torches must not be left unattended;

- viii. any work involving the application of heat will cease at least 60 (sixty) minutes before the Premises is either left unattended or vacated for the day.
  - ix. a thorough examination of the area in which the work was carried out, including an examination of the other side of any roof or partition to the side on which the Hot Works were being carried out, shall be made 30 (thirty) minutes and 60 (sixty) minutes after Hot Works have ceased or been interrupted for 30 (thirty) minutes or more, and immediately prior to the **Premises** being either left unattended or vacated for the day during which Hot Works have been carried out.
- e) You obtain written confirmation from the contractor prior to the start of work that the precautions stated on Your Hot Work Permit will be adhered to.

## Law and Jurisdiction

Unless specifically agreed to the contrary this **Policy** shall be governed by the laws of England and Wales and subject to the exclusive jurisdiction of the courts of England.

## Other Insurances

Unless specified otherwise if an indemnity is or would but for the existence of this **Policy** be covered by any other insurance. **We** will not provide indemnity except in respect of any excess beyond the amount which is or would but for the existence of this **Policy** be payable

## Subrogation

Any claimant under this **Policy** shall at the request and at the expense of the **Underwriters** take and permit to be taken all necessary steps for enforcing rights against any other party in the name of the Insured, whether such steps are or become necessary before or after any payment is made by the **Underwriters**.

## Survey and Risk Improvement Condition

If this Policy has been issued or renewed subject to the Insurer completing a survey or surveys of the Premises or of any other location(s) as specified by the Insurer, then pending completion of such survey(s) cover is provided by the Insurer on the terms, conditions, provisions, exclusions and limits as specified in the Policy and in the Sections of the Policy.

In the event that a survey should show that a risk or any part of it is not satisfactory in the opinion of the Insurer, then the Insurer reserves the right to either:

- a) alter the premium or terms and conditions of the cover or
- b) suspend or cancel cover
  - (i) from the date cover was incepted or renewed, or
  - (ii) for any other period specified by the Insurer

It is a condition precedent to the liability of the Insurer that the Insured must comply with all survey risk improvements required by the Insurer within completion time scales specified by the Insurer. In the event that a risk improvement is not completed or risk improvement procedures are not introduced within the completion time scales specified by the Insurer, then the Insurer reserves the right to either:

- a) continue cover subject to alteration of the terms and conditions of such cover, or
- b) suspend or cancel cover effective
  - (i) from the date cover was incepted or renewed or
  - (ii) from the expiry of any time period specified by the Insurer for completion/introduction of the required survey risk

improvements, or

(iii) for any other period specified by the Insurer

If the terms or conditions of cover are amended by the Insurer, then the Insured will have 14 days to accept or reject the revised basis of cover.

If the Insured elect to reject the revised basis of cover, then provided no claim has been made or incident has arisen which is likely to give rise to a claim during the current Period of Insurance the Insured will be entitled to a refund of the premium paid calculated on a pro-rata basis. The amount of any premium to be refunded under this condition will be reduced by all unpaid premiums or unpaid premium instalments due.

If the Insurer exercises the right to suspend or cancel cover, then provided no claim has been made or incident has arisen which is likely to give rise to a claim during the current Period of Insurance the Insured will be entitled to a proportionate return of the premium in respect of such period that cover is suspended or for any period beyond the effective date from which cover is cancelled. The amount of premium refund payable will be reduced by all unpaid premiums or unpaid premium instalments due.

Except in so far as they are expressly varied by this condition, all of the terms, conditions, provisions, exclusions and limits of the Policy and of the Sections of the Policy shall continue to apply until the Insurer advises otherwise.

To the extent that this condition conflicts with any other cancellation condition, this condition shall prevail.

## Sections 1 - 10: Policy Definitions

Wherever the following words and phrases appear in bold in the **Policy** they will have the same meaning unless specified in the definitions applicable in each individual Section

### Auditors Fees

Necessary and reasonable fees payable by **You** to **Your** auditors or professional accountants (being Auditors or Professional Accountants regularly acting as such for **You** at the time the **Property Insured** was **Damaged**) for producing such particulars or details contained in **Your** books of accounts or other business documents or such other proofs, information or evidence as may be required by the **Underwriters**

### Building(s)

The building(s) situated at the address(es) specified in the **Schedule** which include;

- a) landlord's fixtures and fittings
- b) annexes, gangways, outbuildings and extensions tenants improvements for which the landlord is responsible under the terms of the lease or other agreement under which the property is let
- c) outbuildings, extensions, annexes, canopies, fixed signs, gangways, conveniences, lamp posts and street furniture
- d) walls, gates and fences
- e) drains, sewers, piping, ducting, cables, wires and associated control gear and accessories on the **Premises** and extending to the public mains, but only to the extent of **Your** responsibility
- f) yards, car parks, roads and pavements, forecourts, patios and terraces, all constructed of solid materials
- g) landscaping, excluding external ponds and lakes
- h) closed circuit security TV systems, security equipment, external lighting, television or radio receiving aerials, aerial fittings, masts and satellite dishes
- i) pedestrian malls and pedestrian access bridges
- j) fixed glass and sanitaryware

all belonging to **You** or for which **You** are legally responsible.

### Business

The ownership by **You** of the **Property Insured** including;

- a) maintenance, occupation or use of the **Property Insured** by **You**
- b) the provision and management of canteen, sports, social or welfare organisations for the benefit of **Employees** and fire, security, first aid, medical and ambulance services
- c) private work undertaken with **Your** prior consent by **Employees** for any director or senior official
- d) Business description stated in the Schedule

### Business Hours

**Your** usual office hours and the working hours (including overtime) during which **You** or any person entrusted by **You** with the **Money** and **Non-Negotiable Items** are on the **Premises** for the purpose of the **Business**.

## Compensation

The amount payable under the appropriate item specified in the **Schedule**.

## Consequential Loss

Loss resulting from interruption of the **Business** carried on by **You** at the **Premises** in consequence of loss or destruction of or **Damage** to property used by **You** at the **Premises** for the purpose of the **Business**.

## Customers

All **Your** customers who obtain goods or services from **You**.

## Cyber Loss

Any loss, **Damage**, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

## Cyber Act

An unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any **Computer System**.

## Cyber Incident

- a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **Computer System**; or
- b) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **Computer System**.

## Computer System

Any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.

## Data

Information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a **Computer System**.

## Damage(d)

Direct physical loss, damage or destruction as listed under **Defined Peril**.

This shall mean all individual losses or damage arising out of and directly occasioned by one event. However, if the following causes are covered by this **Policy** the duration and extent of any one occurrence of **Damage** shall be limited to:

- a) 72 consecutive hours as regards a hurricane, a typhoon, windstorm, rainstorm, hailstorm and/or tornado;
- b) 72 consecutive hours as regards earthquake, tsunami or seaquake, and/or volcanic eruption;
- c) 72 consecutive hours as regards riots, civil commotions and malicious damage;
- d) 72 consecutive hours as regards any **Damage** which includes individual loss or losses from any of the causes mentioned in a), b) and c) above;

Notwithstanding the maximum Indemnity provided within, this clause does not exceed the total stated in the **Policy Schedule**

and no individual loss from whatever cause, which occurs outside these periods or areas, shall be included in any one occurrence of **Damage**.

**You** may choose the date and time when any such period of consecutive hours commences and if any event is of greater duration than the above period, **You** may divide that event into two or more occurrences of **Damage** provided no two periods overlap and provided no period commences earlier than the date and time of the happening of the first recorded individual loss to the in that event during the **Period of Insurance**.

## Death

Occurring within 12 months of **Injury** which is the sole and direct cause of death.

## Defined Peril

The words **Defined Peril** shall mean:

- a) fire, but excluding any **Damage** to the **Property Insured** caused by:
  - (i) explosion resulting from fire
  - (ii) earthquake or subterranean fire
  - (iii) its own spontaneous fermentation or heating
  - (iv) its undergoing any heating process or any process involving the application of heat,
- b) lightning
- c) explosion but excluding any **Damage** caused by or consisting of the bursting of a boiler or other vessel, machine or apparatus used for non domestic purposes where internal pressure is due to steam only belonging to or under **Your** control
- d) aircraft or other aerial devices or articles dropped there from
- e) riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances or malicious persons excluding **Damage**:
  - (i) arising from confiscation, requisition or destruction by order of the government or any public authority
  - (ii) arising from cessation of work
- f) theft or attempted theft
- g) earthquake
- h) storm excluding:
  - (i) **Damage** by flood whether resulting from storm or otherwise
  - (ii) **Damage** attributable solely to a change in the water table level
- i) flood excluding **Damage** attributable solely to a change in the water table level
- j) overflowing, discharge or leaking of any sprinkler apparatus
- k) escape of water &/or oil from any tank, apparatus or pipe
- l) impact by any road vehicle (including goods falling from them) or animal not belonging to **You** or under **Your** control, falling trees, branches and falling aerials
- m) Accidental Damage – meaning physical loss or physical destruction or Damage to tangible Property Insured as a result of a single, sudden, external and unexpected event by violent and visible means, which occurs at an identifiable time and place during the **Period of Insurance**

- n) Subsidence, Ground Heave or Landslip of any part of the Premises on which the Property Insured stands excluding Damage caused by:
- (i) collapse, cracking, shrinkage, expansion or settlement of Buildings or any part thereof
  - (ii) coastal or river erosion
  - (iii) defective design or workmanship or the use of defective materials including inadequate construction of foundations
  - (iv) settlement or movement of made-up ground
  - (v) the normal settlement or bedding down of new structures
  - (vi) Damage to solid floor slabs or resulting from their movement unless the foundations beneath the external walls of the Buildings are Damaged at the same time and from the same cause
  - (vii) Damage to yards, car parks, roads, pavements, landlords' fixtures and fittings, security lighting and cameras, walls, gates, fences, fixed fuel oil tanks and fixed diesel tanks, piping, ducting, cables, wires and associated control gears and accessories, paved areas or footpaths unless the Building insured by this Section is Damaged by the same cause at the same time
  - (viii) which originates prior to the inception of this cover
  - (ix) demolition, construction, structural alteration or repair to any Buildings or groundworks or excavation at the same Premises

## Employee(s) / Person(s) Employed

- a) Any person under a contract of service or apprenticeship with **You**
- b) Any person who is hired to or borrowed by **You**
- c) Any person engaged in connection with a work experience or training scheme
- d) Any labour master or person supplied by him
- e) Any person engaged by labour only sub contractors
- f) Any self employed person working on a labour only basis under **Your** control or supervision
- g) Any voluntary helper while working for **You** in connection with the **Business**

## Endorsement(s)

Any endorsements issued by **us**, attached to and expressly intended to form part of this **Policy**

## Excess

The first part of each and every loss which **You** must bear after the application of any condition of average. (see also Average Waiver condition)

## Financial Loss

Any monetary loss unaccompanied by **Injury** or **Damage**

## Glass

All fixed plain sheet or plain glass in windows, doors, fanlights, skylights, partitions, furniture, display and show cases, counters or shelves or mirrored glass fixed hand basins, lavatory bowls, bidets, shower trays and baths including lettering, embossing, beading, silvering or ornamental work at the **Premises**.

## Injury

Means Bodily Injury, death, disease, illness, nervous shock, mental illness or mental anguish

## Insured Event

A claim **You** have made under a section of this **Policy** for which **Underwriters** have agreed to provide indemnity.

## Insured Person

Any director, manager or partner of the **Insured** or any **Employee** aged not less than 16 years.

## Insured(s) / You / Your

- (a) The firm, company, entity or individual named in the **Schedule**.
- (b) **your** subsidiary companies notified to and expressly accepted in writing by **us** as covered under this **Policy**

Provided that the number of parties claiming an indemnity will in no way operate to increase the applicable **Indemnity Limit** or any other limit under this **Policy**.

## Licence

The Licence granted for the retail sale of excisable Liquor at the **Premises**.

## Liquidated Damages

Damages where the amount to be paid for failing to keep to the terms of a contract has been agreed by the people involved in the contract at the time the contract was made.

## Loss of Limb(s)

Physical severance or the total or permanent loss of use of one or both arms, hands, legs or feet resulting solely and directly from **Injury** within 12 calendar months of such **Injury**.

## Loss of Sight

Total and irrecoverable loss of sight in one or both eyes.

## Machinery, Plant and Equipment / All Other Contents

Machinery, plant, equipment, fixtures, fittings, office machines and furniture and all other contents the property of **You** or for which **You** are legally responsible in the **Premises** specified in the **Schedule**. All other contents includes;

- (a) documents, manuscripts and business books, but only for the value of the materials as stationery together with the cost of clerical labour actually expended in reinstatement and not for the value of the information contained therein, for an amount not exceeding £2,500 in total
- (b) computer systems records but only for the value of the recording hardware or blank media together with the cost of clerical labour actually expended in copying such records from back up or from originals of a previous generation and not for the value of the information contained therein, for an amount not exceeding £10,000 in total. Copying costs will not include research or engineering or any costs of recreating, gathering or assembling data
- (c) patterns, models, plans and designs, but only for the value of the materials together with the cost of labour expended in reinstatement and so far as the same are not otherwise insured, and not for the value of the information contained therein

- (d) directors, **Employees**, visitors and **Customers'** personal effects, pedal cycles, tools, instruments and the like, for an amount not exceeding £1,500 in total in respect of any one person.
- (e) Fixed glass and sanitaryware
- (f) Contents in the open yards
- (g) Money for an amount not exceeding £1,000 in total
- (h) rare books or works of art not exceeding £5,000 any one item or £15,000 in total.

## Money

Current coinage, bank and currency notes, uncrossed cheques, giro cheques, bankers drafts, uncrossed postal and money orders, unexpired units in franking machines, unused postage and National Insurance stamps, business travel tickets, luncheon vouchers, trading stamps, holiday with pay stamps, gift vouchers and bills of exchange.

## Non-Negotiable Items

**Money** consisting of crossed cheques, crossed national giro payment orders, crossed bankers' drafts, VAT purchase invoices, crossed postal orders, crossed money orders, national savings Policy, premium bonds, credit card and debit card vouchers and unused franking machine units.

## Period of Insurance

The period of insurance specified in the **Schedule**

## Policy

The entirety of the Policy, the **Schedule** and/or any endorsements or amendments (whether or not such endorsements or amendments are agreed prior to the Policy of insurance coming into force or at any time thereafter). All references to the terms, conditions and exclusions of the Policy shall be construed as referring to the entire Policy

## Premises

The Address(es) specified in the **Schedule**.

## Proposal

The Proposal Form, Statement of Fact, Declaration, Risk Presentation and any information supplied to the **Underwriters** by or on behalf of **You**.

## Permanent Total Disablement

The **Insured Person** being totally disabled solely and directly caused by **Injury** (not resulting in **Loss of Limb(s)** or **Loss of Sight**) and prevented from attending to his usual business or occupation with proof satisfactory to the **Underwriters** that such disablement has continued for one year from the date of the occurrence of **Injury** and will in all probability continue for the remainder of the **Insured Person's** life.

## Property Insured (Combined)

Except where expressly provided otherwise, the **Buildings, Tenants Improvements, Landlords Fixtures and Fittings, Stock, Machinery, Plant and Equipment and all other contents** at the **Premises**, all as defined in these General Definitions, if and to the extent they are included as property insured in the **Schedule**. For the avoidance of

doubt, data is not included as property insured.

The Insurer agrees to accept the heading under which any Property or other item has been entered in the books of the Insured.

## Rent Payable

The money paid or payable to or by the Insured in respect of accommodation and services, provided at the **Premises**.

## Renovation

Internal painting and decorating, tiling, replacement of bathroom and/or kitchen fixtures and fittings including sinks, wash basin, w.c., bath and shower, carpeting, internal joinery, plastering, rewiring, installation/repair of central heating and external window replacement but excluding:

- a) **Building Works**, and
- b) **Renovation** forming part of a **Building Works** contract or project.

## Schedule(s)

The **Schedule** specifying the terms and extent of this **Policy**.

## Stock

Stock, merchandise and materials in trade, including work in progress and packing materials belonging to **You** or held by **You** in trust or on commission and for which **You** are legally responsible or for which **You** have accepted liability in the **Premises** shown in the **Schedule**.

## Sum Insured / Limit of Indemnity / Indemnity Limit

The sum or limit specified in the **Schedule** as applying to the relevant Section of this **Policy** or items.

## Territorial Limits

Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

## Temporary Total Disablement

The **Insured Person** being temporarily totally disabled solely and directly caused by **Injury** (not resulting in **Permanent Total Disablement**, **Loss of Limb(s)** or **Loss of Sight**) and prevented from attending to his usual business or occupation.

## Tenants Improvements

Permanent alterations or additions made to the Building/Buildings by either the landlord or tenant which are not moveable, including interior decorations.

## Terrorism

Terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or groups of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

## Underwriters / We / Us / Insurer / Our

MRS� Syndicate 457

## Uninsured Working Expenses

The sum of:

- purchases (net of discounts)
- bad debts
- packaging carriage and freight: and
- discounts allowed

## Unoccupied

When the **Premises** (or any part thereof) are closed for trade, vacant, untenanted or not resided at for a period in excess of forty-five (45) consecutive days

# Sections 1 - 10: Regulatory & Privacy Information

## Data Protection Notice

**Your Insurers** are the data controller (as defined by the Data Protection Act 2018 and all applicable laws which replace or amend it, including the General Data Protection Regulation) who may collect and process **your** personal information.

To enable us to take the necessary steps to enter into a contract with **you** to provide the appropriate insurance products and services, **Your Insurers** may collect the following personal information about **you**, including but not limited to:

- Name
- Date of birth
- Address
- Other contact details
- Occupation
- Financial information such as bank details
- Details of insured items or cover required including the location of those items where applicable
- Details of additional people who **you** are including on the proposal or policy
- Claims history

**We** may also collect the following sensitive personal information about **you** and additional people who **you** are including on the proposal or policy, where the provision of this type of insurance is in the substantial public interest:

- Medical details
- Criminal convictions and County Court Judgments
- Claims history including details of personal injuries or medical conditions

**Your Insurers** collect and process **your** personal information for the purpose of insurance and claims administration. All phone calls may be monitored and recorded and the recordings used for fraud prevention and detection, training and quality control purposes.

**Your** personal information may be shared with third parties which supply services to **us** or which process information on **our** behalf (for example, premium collection, claims validation or for communication purposes related to **your** cover). We will ensure that third parties keep **your** information secure and do not use it for purposes other than those that **we** have specified in the [Privacy Notice](#).

Some third parties that process **your** data on **our** behalf may do so outside of the European Economic Area ("EEA"). This transfer and processing is protected by EU Model Contracts which aim to provide the equivalent level of data protection to that found in the EU.

**We** will keep **your** personal information only for as long as **we** believe is necessary to fulfil the purposes for which the personal information was collected (including for the purpose of meeting any legal obligations).

**We** will share **your** information if **we** are required to by law. **We** may share **your** information to enforcement authorities if they ask **us** to, or to a third party in the context of actual or threatened legal proceedings, provided **we** can do so without breaching data protection laws.

If you have any concerns about how **your** personal data is being collected and processed, or wish to exercise any of **your** rights detailed in the [Privacy Notice](#), please contact

Munich Re Syndicate Limited  
1 Fen Court  
London  
EC3M 5BN

## Section 11: Employers' Liability

Cover under this Section is subject to the terms and Exclusions within this Section plus all the General Additional Covers, Terms, Conditions and Exclusions. Optional Covers only provide cover if a sub Limit of Liability is specified in the Schedule. Capitalised words and terms are defined in the Definitions Section.

### Operative Clause

The Underwriters will indemnify the Insured for all sums which the Insured becomes legally liable to pay as Damages (including Claimants' costs, fees and expenses) and Defence Costs in respect of Bodily Injury sustained by an Employee

- a) arising out of and in the course of their employment by the Insured; or
- b) arising out of and in the course of their employment or participation in the performance of a contract with the Insured the primary purpose of which is the provision of labour only;

in connection with the Business of the Insured and caused during the Policy Period in the Covered Jurisdictions stated in the Schedule.

The indemnity provided shall only apply to Bodily Injury sustained:

- a) within the United Kingdom;
- b) by Employees of the Insured undertaking non-manual work during temporary visits abroad provided that such Employees are usually domiciled in the United Kingdom.

### Limit of Liability and Defence Costs

- a) The Underwriters' liability to pay Damages (including Claimants' costs, fees and expenses) shall not exceed the Limit of Liability stated in the Schedule as applicable to this Section in respect of an Occurrence.
- b) Defence Costs will be payable as part of the Limit of Liability stated in the Schedule as applicable to this Section, unless otherwise stated in the Schedule.

### Additional Covers Applicable to Section 11

- a) **Asbestos**  
This Section 11 will apply, subject to all its terms and conditions, to Bodily Injury caused to an Employee arising out of the exposure to asbestos or alleged exposure to asbestos or materials or products containing asbestos, where a sub Limit of Liability is specified in the Schedule.
- b) **Medical Treatment**  
Indemnity shall be extended to the Insured and any medical doctor or dentist employed by the Insured in respect of liability to any person under a contract of service with the Insured resulting from treatment given, provided that any such doctor or dentist shall be subject to the terms of this Policy as if they were the Insured so far as they can apply and provided that the Insured would have been entitled to indemnity under this Section 11 if the Claim had been made against the Insured.
- c) **Terrorism**  
This Section 11 will apply, subject to all its terms and conditions, to Bodily Injury caused to an Employee arising out of Terrorism, where a sub Limit of Liability is specified in the Schedule.
- d) **Unsatisfied Court Judgments**  
In the event of a Judgment for Damages being obtained by any Employee or the personal representative of any Employee:
  - (i) in respect of Bodily Injury sustained by the Employee that arises out of and in the course of employment by the Insured in connection with the Business during the Policy Period;

(ii) against any company or individuals operating within premises in the United Kingdom in any court situated in those territories;

(iii) which remains unsatisfied in whole or in part six (6) months after the date of such judgement;

the Underwriters will, at the request of the Insured, pay to the Employee or the personal representative of the Employee the amount of any such Damages and any awarded costs to the extent they remain unsatisfied. Provided always that:

(i) there is no appeal outstanding;

(ii) if any payment is made under the terms of this Additional Cover to Section 11 the Employee or the personal representative of the Employee shall assign any Judgment to the Underwriters;

(iii) any payment made by the Underwriters shall be only in respect of liability for which the Insured would have been entitled to indemnity under Section 11 of this Policy if the judgment had been made against the Insured.

## Optional Covers Applicable to Section 11

Section 11 will only provide cover under these Additional Covers if the relevant Additional Cover has been noted as operative in the Schedule or if agreed in writing with the Underwriters.

a) **Offshore**

This Section 11 will apply, subject to all its terms and conditions, to Bodily Injury sustained Offshore by the Employee that arises out of and in the course of employment by the Insured in connection with the Business during the Policy Period, where a sub Limit of Liability is specified in the Schedule.

b) **Data Protection**

This Section 11 will apply, subject to all its terms and conditions, to the Insured's legal liability to pay compensation to any Employee as a result of Bodily Injury under Data Protection Act 2018 or under Article 82 of the General Data Protection Regulation (EU) 2016/679 (UK GDPR).

General Exclusion 3, Cyber, will not apply to the extent that this Additional Cover provides cover.

## Exclusions Applicable to Section 11

a) **Motor**

This Section 11 does not provide any indemnity in respect of liability for which compulsory motor insurance or security is required under any applicable legislation.

This Section 11 is also subject to the General Exclusions set out in the Section 11 – 14 General Terms below.

## Employers' Liability Compulsory Insurance Claims

The indemnity granted by this Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to Employees in the United Kingdom and offshore installations in territorial waters around Great Britain and its Continental Shelf BUT the Insured shall repay to the Underwriters all sums paid by the Underwriters which the Underwriters would not have been liable to pay but for the provisions of such law ordinance or statute.

## Section 12: Public Liability

Cover under this Section is subject to the terms and Exclusions set out in this Section plus all the General Additional Covers, Terms, Conditions and Exclusions set out. Capitalised words and terms are defined in the Definitions Section.

### Operative Clause

The Underwriters will indemnify the Insured for all sums which the Insured becomes legally liable to pay as Damages (including Claimants' costs, fees and expenses) and Defence Costs in respect of accidental

- a) Bodily Injury;
- b) Property Damage;

arising from the Business of the Insured and occurring during the Policy Period in the Covered Jurisdictions stated in the Schedule.

The indemnity provided shall only apply to Bodily Injury or Property Damage occurring

- a) within the Territorial Limits;
- b) during the course of temporary visits abroad outside the Territorial Limits by Employees of the Insured undertaking non-manual work, provided that
  - (i) Employees are usually domiciled within the United Kingdom;
  - (ii) temporary visits do not exceed six (6) months in duration.

### Limit of Liability and Defence Costs

- a) The Underwriters' liability to pay Damages (including Claimants' costs, fees and expenses) shall not exceed the Limit of Liability stated in the Schedule as applicable to this Section in respect of an Occurrence.
- b) Defence Costs will be payable as part of the Limit of Liability stated in the Schedule as applicable to this Section, unless otherwise stated in the Schedule.

### Additional Covers Applicable to Section 12

#### Data Protection Legislation

This Section 12 extends to cover the Insured for legal liability in respect of any Claim for material damage or non-material damage under Sections 168 and 169 of the Data Protection Act 2018 or under Article 82 of the General Data Protection Regulation (EU) 2016/679 (UK GDPR).

Cover in respect of such Claims shall be available only under the terms and conditions of this Additional Cover and nowhere else in this Policy.

This Additional Cover applies where Claims are made against the Insured during the Policy Period arising from material damage or non-material damage occurring on or after the Retroactive Date as stated in the Schedule and before the Expiry Date of the Policy and notified in accordance with Claims Information 1 – Claims Procedure.

For the purposes of this Additional Cover non-material damage which is the subject of such Claim shall be treated as having occurred when the Claimant first had knowledge or alleges that they first had knowledge of the event giving rise to that non-material damage.

This Additional Cover applies where Claims are made against the Insured during the Policy Period arising from Bodily Injury and/or Property Damage occurring on or after the Retroactive Date specified in the Schedule and before the Expiry Date of the Policy. If a Circumstance, occurring subsequent to the Retroactive Date and before the Expiry Date of the Policy is notified to the Underwriters in accordance with Claims Information Condition 1 – Claims Procedure,

(How to make a claim) the Underwriters will not deny any subsequent Claim arising out of that Circumstance solely because the Claim was made after the Expiry Date of the Policy.

The Underwriters' liability under this Additional Cover shall be limited to £50,000 any one Occurrence and in the aggregate during any one Policy Period. This sub-limit shall be a part of and not in addition to the Limit of Liability. The sub-limit is inclusive of Defence Costs.

The Excess under this Additional Cover shall be 10% of each Claim subject to a minimum of £1,000, any one Claim, and it shall be applicable to all Defence Costs.

The Underwriters will not be liable under this Additional Cover for:

- (i) liability caused by or arising from a deliberate act by or omission of any person entitled to insurance under this Policy if the result could have been expected, having regard to the nature and circumstances of such act or omission;
- (ii) the costs of replacing, reinstating, rectifying or erasing any Personal Data, as defined in the Data Protection Act 2018 or under Article 82 of the General Data Protection Regulation (EU) 2016/679 (and/or any equivalent or corresponding legislation);
- (iii) liability caused by or arising from the recording, processing or provision of data for reward or the determining of the financial status of a person; or
- (iv) liability which attaches by virtue of a contract or agreement, unless liability would have attached in the absence of such contract or agreement.

General Exclusion (c)Cyber, General Exclusion (d), Data Loss, and General Exclusion (e), Data Protection, will not apply to the extent that this Additional Cover provides cover.

#### **Denial of Access**

The indemnity granted by this Section is extended to indemnify the Insured against legal liability to pay Damages (including Claimants' costs, fees and expenses), as a result of a denial of access that occurs during the Policy Period and arises out of or in connection with the Business. For the purpose of this Additional Cover, denial of access means nuisance, trespass or interference with any easement, right of air, light, water or way.

#### **Overseas Liability**

The indemnity granted by this Section is extended, at the request of the Insured, to indemnify the Insured and its Employees and directors (including their families or persons ordinarily resident with them), against legal liability for Bodily Injury, Property Damage or denial of access (as per Section 12.3.b above) incurred in a personal capacity while temporarily outside the United Kingdom in connection with the Business, provided that such Bodily Injury, Property Damage or denial of access does not arise out of the ownership or occupation of land or buildings.

#### **Private work**

The indemnity granted by this Section is extended to indemnify the Insured against legal liability in respect of work carried out on behalf of Principals and/or directors of the Insured by Employees engaged or borrowed from the Insured in their private capacity.

#### **Defective Premises Act**

The indemnity granted by this Section is extended to indemnify the Insured against legal liability arising under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975, in connection with any premises previously owned or occupied by the Insured for purposes in connection to the Business and which have since been disposed of by the Insured.

Underwriters shall not be liable under this Additional Cover for:

- (i) Bodily Injury or Property Damage in respect of which the Insured is entitled to indemnity from any other insurance;
- (ii) the costs of remedying any defect or alleged defect in such premises.

## Exclusions Applicable to Section 12

This Section does not provide any indemnity in respect of liability:

- a) for Bodily Injury;
  - (i) sustained by any Employee arising out of and in the course of their employment by or under a contract of service with the Insured; or
  - (ii) arising out of and in the course of their employment or participation in the performance of a contract with the Insured the primary purpose of which is the provision of labour only;  
  
in connection with the Business of the Insured.
- b) For Property Damage to tangible property owned, leased or hired by the Insured or under hire purchase or on loan to the Insured or in the Insured's care, custody and control other than:
  - (i) Employees' and visitors' clothing, tools and personal effects up to a limit of £1,500;
  - (ii) premises (including contents thereof) not owned or rented by the Insured but temporarily occupied by them for the purpose of work therein or thereon;
  - (iii) premises tenanted by the Insured to the extent that the Insured would be held liable in the absence of any specific agreement.
- c) arising out of ownership, possession or use of any mechanically propelled vehicle where a Certificate of Motor Insurance or surety is required under the Road Traffic Act or any similar legislation.
- d) caused by the ownership or operation by or on behalf of the Insured of any waterborne craft, hovercraft, aircraft, or rail borne vehicle;
- e) arising out of any work undertaken Airside: in, on or within any aircraft, airport runway, taxiway, dispersal area, apron, hanger, cargo, transit or flight handling area, including open spaces between and/or other operational or manoeuvring area and including any flight control facilities, wherever situated unless notified and agreed by the Underwriters prior to the work being undertaken;
- f) arising out of or in connection with any Pollution;
- g) arising out of or in connection with any Product; or
- h) arising out of or from advice, design, plans, specifications, formulae, surveys or directions prepared or given by the Insured for a fee.

This Section is also subject to the General Exclusions set out in the Section 11 - 14 General Terms below.

## Section 13: Product Liability

Cover under this Section is subject to the terms and Exclusions set out in this Section plus all the General Additional Covers, Terms, Conditions and Exclusions set out. Capitalised words and terms are defined in the Definitions.

### Operative Clause

The Underwriters will indemnify the Insured for all sums which the Insured becomes legally liable to pay as Damages (including Claimants' costs, fees and expenses) and Defence Costs in respect of accidental:

- a) Bodily Injury; or
- b) Property Damage;

arising from any Product within the Territorial Limits and Covered Jurisdictions stated in the Schedule.

The trigger applicable to this Section is either a), b) or c) below, as specified in the Schedule:

### Losses Occurring During

This coverage applies where Bodily Injury or Property Damage occurs during the Policy Period.

### Claims Made

This coverage applies where a Claim is first made against the Insured during the Policy Period and in accordance with Section 1, Claims Information – Condition 1. f) – Claims Procedure arising from any Bodily Injury or Property Damage occurring on or after the Retroactive Date specified in the Schedule and before the Expiry Date of the policy.

### Claims Made and Notified

This coverage applies where a Claim is first made against the Insured and is notified to the Underwriters during the Policy Period or within sixty (60) days of the Expiry Date and in accordance with Section 1, Claims Information – Condition 1. f) – Claims Procedure arising from any Bodily Injury or Property Damage occurring on or after the Retroactive Date specified in the Schedule and before the Expiry Date of the Policy.

However, this coverage does not apply to any Claim that is covered under any subsequent insurance the Insured acquires, or would be covered but for the exhaustion of the Limit of Liability applicable to such Claim.

In respect of Additional Cover 3 a) Advertising Injury, if the date of the Occurrence is not self-evident, it shall be treated as having occurred on the date of the first publication of material that is or is alleged to be injurious.

### Limit of Liability and Defence Costs

- a) The Underwriters' liability to pay Damages (including Claimants' costs, fees and expenses) shall not exceed the Limit of Liability stated in the Schedule as applicable to this Section in respect of an Occurrence.
- b) Defence Costs will be payable as part of the Limit of Liability stated in the Schedule as applicable to this Section, unless otherwise stated in the Schedule.

### Additional Covers applicable to Section 13

#### Advertising Injury

The indemnity granted by this Section 13 is extended to indemnify the Insured against legal liability to pay Damages (including Claimants' costs, fees and expenses), in respect of unintended and unexpected:

- a) libel, slander or defamation;
- b) infringement of copyright, title, slogan or other intellectual property rights;

- c) piracy, unfair competition or idea misappropriation under an implied contract; and/or
- d) any invasion of the rights of privacy

committed or alleged to have been committed during the Policy Period in any advertisement, publicity, article, internet website activity, broadcast or telecast arising from advertising activities by or on behalf of the Insured in connection with the Insured's Products, goods or services, but Underwriters shall not be liable for:

- (i) the failure of performance of a contract other than unauthorised appropriation of ideas based upon breach or alleged breach of the contract;
- (ii) incorrect description or mistake in the price of Products, goods or services sold or offered for sale by the Insured;
- (iii) the failure of Products, goods or services to conform with advertised quality, performance or standards;
- (iv) any material that was first published (verbally or in writing) prior to the Retroactive Date, if any, specified in the Schedule.

The Underwriters' liability under this Additional Cover shall be limited to £1,000,000 any one Occurrence and in the aggregate, inclusive of Defence Costs, which shall be a part of and not in addition to the Limit of Liability.

### Exclusions Applicable to Section 13

This Section does not provide any indemnity in respect of liability:

- a) for Bodily Injury;
  - (i) sustained by any Employee arising out of and in the course of their employment by or under a contract of service with the Insured; or
  - (ii) arising out of and in the course of their employment or participation in the performance of a contract with the Insured the primary purpose of which is the provision of labour only;
 

in connection with the Business of the Insured.
- b) for Property Damage to tangible property owned, leased or hired by the Insured or under hire purchase or on loan to the Insured or in the Insured's care, custody and control other than:
  - (i) Employees' and visitors' clothing, tools and personal effects up to a limit of £1,500;
  - (ii) premises (including contents thereof) not owned nor rented by the Insured but temporarily occupied by them for the purpose of work therein or thereon; and
  - (iii) premises tenanted by the Insured to the extent that the Insured would be held liable in the absence of any specific agreement.
- c) arising out of or in connection with any Pollution, unless:
  - (i) the Insured has also purchased Section 14 (Pollution); and
  - (ii) a defect in the Product is the proximate cause of the relevant liability;
- d) arising out of the recall of any Product, or any product manufactured, distributed or handled by a customer of the Insured of which the Product becomes a component part;
- e) for Damage to any Product or part thereof;
- f) for costs incurred in the repair, reconditioning or replacement of any Product or part thereof and/or any financial loss consequent upon the necessity for such repair, reconditioning or replacement;
- g) if the trigger for Section 13 is the making of a Claim (under 1. b) and 1. c) above), arising out of any Product which has left the custody or control of the Insured prior to the Retroactive Date, if any, stated in the Schedule;
- h) arising out of any Product which, with the Insured's knowledge, is intended for incorporation into the structure, machinery, or controls of any aircraft or spacecraft;

- i) arising out of any Product which, with the Insured's knowledge, is intended for incorporation into any marine equipment upon which the navigation or safety of a waterborne vessel depends or use in a waterborne vessel;
- j) arising out of or from advice, design, plans, specifications, formulae, surveys or directions prepared or given by the Insured for a fee;
- k) for loss of or damage to any Product attributable to any known or suspected:
  - (i) defect or deficiency therein, or
  - (ii) unsuitability for its intended purpose or use;
- l) assumed by the Insured under contract, agreement or guarantee unless such liability would have attached in the absence of such contract, agreement or agreement or guarantee;
- m) for Bodily Injury or Property Damage directly or indirectly caused by, arising from or in connection with food and drink supplied by, or on behalf of, the Insured primarily to the Insured's Employees at the Premises as a staff benefit;
- n) for Bodily Injury or Property Damage arising out of the presence, ingestion, inhalation, absorption or exposure to lead in any Product;
- o) for Property Damage to that part of any property upon which the Insured or any Employee of the Insured is or has been working where such Property Damage arises out of such work.

This Section 13 is also subject to the General Exclusions set out in the Section 11 - 14 General Terms below.

## Section 14: Pollution Liability

Cover under this Section is subject to the terms and Exclusions set out in this Section plus all the General Additional Covers, Terms, Conditions and Exclusions set out in Section 3. Capitalised words and terms are defined in the Definitions.

### Operative Clause

The Underwriters will indemnify the Insured for all sums which the Insured becomes legally liable to pay as Damages (including Claimants' costs, fees and expenses) and Defence Costs in respect of accidental:

- a) Bodily Injury; or
- b) Property Damage;  
arising from Pollution occurring in its entirety during the Policy Period within the Territorial Limits and Covered Jurisdictions stated in the Schedule in connection with the Business of the Insured but only to the extent that the Insured can demonstrate that such Pollution:
  - a) was the direct result of a sudden specific and identifiable event occurring during the Policy Period;
  - b) was not the direct result of the Insured failing to take reasonable precautions to prevent such Pollution during the Policy Period.

### Limit of Liability and Defence Costs

- a) The Underwriters' liability to pay Damages (including Claimants' costs, fees and expenses) shall not exceed the Limit of Liability stated in the Schedule as applicable to this Section in respect of an Occurrence.
- b) Defence Costs will be payable as part of the Limit of Liability stated in the Schedule as applicable to this Section, unless otherwise stated in the Schedule.

### Additional Covers Applicable to Section 14

#### Denial of Access

**The indemnity granted by this Section 14 is extended to indemnify the Insured against legal liability to pay Damages (including Claimants' costs, fees and expenses), as a result of a denial of access that occurs during the Policy Period and arising from Pollution in connection with the Business. For the purpose of this Additional Cover, denial of access means nuisance, trespass or interference with any easement, right of air, light, water or way.**

#### Private work

**The indemnity granted by this Section 14 is extended to indemnify the Insured against legal liability in respect of work carried out on behalf of Principals and/or directors of the Insured by Employees engaged or borrowed from the Insured in their private capacity arising from Pollution in connection with the Business.**

### Exclusions Applicable to Section 14

This Section 14 does not provide any indemnity in respect of liability:

- a) for Bodily Injury;
  - (i) sustained by any Employee arising out of and in the course of their employment by or under a contract of service with the Insured; or
  - (ii) arising out of and in the course of their employment or participation in the performance of a contract with the Insured the primary purpose of which is the provision of labour only  
  
in connection with the Business of the Insured.
- b) for Property Damage to tangible property owned, leased or hired by the Insured or under hire purchase or on loan to the Insured or in the Insured's care, custody and control other than:
  - (i) Employees' and visitors' clothing and personal effects up to a limit of £1,500;
  - (ii) premises (including contents thereof) not owned nor rented by the Insured but temporarily occupied by them for the purpose of work therein or thereon;
  - (iii) premises tenanted by the Insured to the extent that the Insured would be held liable in the absence of any specific agreement.
- c) arising out of ownership, possession or use of any mechanically propelled vehicle where a Certificate of Motor Insurance or surety is required under the Road Traffic Act or any similar legislation;
- d) caused by the ownership or operation by or on behalf of the Insured of any waterborne craft, hovercraft, aircraft, or rail borne vehicle;
- e) arising out of or in connection with any Product unless:
  - (i) the Insured has also purchased Section 13 (Product Liability); and
  - (ii) Pollution is the proximate cause of the relevant liability;
- f) arising out of or from advice, design, plans, specifications, formulae, surveys or directions prepared or given by the Insured for a fee;
- g) for Property Damage to premises presently or at any time owned or tenanted by the Insured;
- h) for Property Damage to land or water within or below the boundaries of any land or premises presently or at any time previously owned or leased by the Insured or otherwise in the Insured's care, custody or control.

This Section 14 is also subject to the General Exclusions set out in the Section 11 - 14 General Terms below.

## Sections 11 - 14: General Terms

This Section sets out all general Additional Covers, Exclusions and Terms and Conditions that apply to Sections 11-14 of this Policy.

### Additional Covers applicable to Sections 11-14

This part of the Policy provides details of the general Additional Covers. These apply to all Sections and they are in addition to the Additional Covers specific to any Sections.

### Court Attendance Costs

In the event that the Underwriters request the Insured or any Employees to attend Court or any arbitration or adjudication hearing as a witness of fact in connection with a Claim made against the Insured for which cover is afforded under this Policy, Underwriters will provide compensation to the Insured at the following rates for each day or part thereof on which attendance is required:

- |   |      |
|---|------|
| a) any partner or director of the Insured | £750 |
| b) any Employee                           | £250 |

### Cross Liability Clause

It is hereby declared and agreed that where more than one party is named in the Schedule as the Insured, indemnity shall apply as though individual insurances have been issued to each party provided always that the Underwriters' total liability shall not exceed the sums stated in the Schedule as the Limit of Liability.

### Indemnity to Others

At the request of the Insured, and subject to the prior written consent of Underwriters, indemnity extends to include liability of:

- any director of the Insured or Employee in respect of liability arising in connection with the Business of the Insured as stated in the Schedule;
- the committees, or any director or member thereof, of any of the Insured's sports or social clubs and canteen, medical, firefighting or welfare facilities but only in respect of such capacities;
- any hired or borrowed employee for whom the Insured is responsible or for any other person who is under a contract of service with a contractor of the Insured and where the Insured in the course of the Business of the Insured has agreed to accept responsibility;
- directors and/or officials of the Insured in their personal private capacity arising from work undertaken for them by Employees of the Insured;

each of whom shall, as though the Insured, be subject to the terms of this Policy so far as they can apply and provided that the Insured would have been entitled to indemnity under the relevant Section if the Claim had been made against the Insured.

### Indemnity to Principal

Where the Insured so requests, the Underwriters agree to indemnify any Principal of the Insured but only to the extent that such liability arises solely out of the work performed for the Principal by or on behalf of the Insured. Such Principal shall be subject to and comply with the terms and conditions of the Policy. This clause shall in no way operate to increase the Limits of Liability as stated in the Schedule.

## Corporate Manslaughter

The indemnity granted by this Policy is extended to apply to Defence Costs in cases of an alleged offence by the Insured under the Corporate Manslaughter and Corporate Homicide Act 2007 or any subsequent amending legislation, provided that:

- a) the proceedings relate to an offence alleged to have been committed during the Policy Period and in the course of the Business;
- b) the cover will not apply:
  - (i) to fines or penalties of any kind;
  - (ii) to liability assumed under a contract or agreement which would not have attached in the absence of such contract or agreement
  - (iii) to proceedings consequent upon any deliberate act or omission.

The Underwriters' liability under this Additional Cover shall be limited to £1,000,000 in the aggregate in any one Policy Period. This limit will form part of and not be in addition to the relevant Limit of Liability stated in the Schedule.

All Additional Covers are subject to the specific Exclusions within the Section plus the General Exclusions set out in the Section 11-14 General Terms.

## Sections 11 - 14: General Exclusions

This part of the Policy provides details of the General Exclusions. These apply to Sections 11 - 14 and they are in addition to any Exclusions specific to any Section.

This Policy does not insure, apply to or include any cover for any loss, damage, Claim, cost, expense or other sum directly or indirectly arising out of or relating to:

### Abuse

- a) any act that results in the maltreatment of a person and which may be of, but not limited to, a physical, sexual, verbal, psychological or emotional or financial nature.

This exclusion does not apply to Section 11, Employers' Liability.

### Asbestos

- a) exposure or alleged exposure to asbestos or materials containing asbestos.

This exclusion does not apply to Section 11, Employers' Liability.

### Cyber

- a) any:
  - (i) unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use or operation of any computer, computer system, computer software programme, code, virus or process or any other electronic system.
  - (ii) error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
  - (iii) partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

This exclusion does not apply to Section 11, Employers' Liability and to the cover provided by Additional Cover 3 (a), Data Protection, in Section 12, Public Liability.

### Data Loss

- a) the loss of or damage to data, documents, information or records stored on a computer, cloud or media system(s) and/or distortion or erasure caused by any means.

This exclusion does not apply to the cover provided by Additional Cover 3 (a), Data Protection, in Section 12, Public Liability.

### Data Protection

- a) compensation, damages, losses, costs and expenses, fines, penalties, or any other sum arising out of, directly or indirectly, a breach of privacy rules or legislation including the General Data Protection Regulation (EU) 2016/679 (UK GDPR) or equivalent.

This exclusion does not apply to Section 11, Employers' Liability and to the cover provided by Additional Cover 3 (a), Data Protection, in Section 12, Public Liability.

## Deliberate failure to prevent Bodily Injury or Property Damage

- a) deliberate, conscious or intentional disregard by the Insured's technical or administrative management of the need to take all practical steps to prevent Bodily Injury or Property Damage.

## Liquidated Damages

- a) liquidated damages clauses, penalty clauses or performance warranties unless proven that liability would have attached in the absence of such clauses or warranties.

This exclusion does not apply to Section 11, Employers' Liability.

## Nuclear

- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof; or
- c) any weapon of war or mass destruction, whether or not employing atomic or nuclear fission or fusion or like reaction or radioactive force or matter, or pathogenic, chemical, biological or similar agents.

## Communicable disease

- a) any Communicable Disease (as hereinafter defined), or any fear or threat (whether actual or perceived) of any Communicable Disease, or any action taken in controlling, preventing, suppressing or in any way relating to any outbreak of any Communicable Disease.
- b) For the purposes of this exclusion, Communicable Disease means any disease capable of being transmitted from an infected person or species to a susceptible host, either directly or indirectly.

The exclusion does not apply to Section 11, Employers' Liability.

## War

- a) war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, confiscation, nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

## Terrorism

- a) an act of Terrorism.

The exclusion does not apply to Section 11, Employers' Liability.

In addition, the following Exclusion applies to this Policy:

## United States of America and Canada

Where the Covered Jurisdiction applicable to any Section is shown in the Schedule as Worldwide, then in respect of any judgment, award or settlement made within countries which operate under the laws of the United States of America or Canada or any order made anywhere in the world to enforce such judgment, award or settlement either in whole or in part:

- a) the Section 14 does not cover any liability:
  - (i) for and/or arising out of Pollution;
  - (ii) for the cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances; and
- b) the Sections shall not apply to nor insure against the loss of any Insured domiciled or registered in the United States of America or Canada or any country which operates under the laws of the United States of America or Canada, other than in respect of sales offices of the Insured where prior agreement has been sought from the Underwriters.  
When this exclusion applies, General Condition 23, United States of America and Canada Jurisdiction, may also apply.

## Sections 11 - 14: General Terms & Conditions

This part of the Policy sets out the General Terms and Conditions. These apply to Sections 11 - 14 and they are in addition to the terms specific to each Section.

### Allocation of Recoveries

If a recovery is made or recovery proceeds are received from a third party in respect of any loss or Claims which may or have been paid, either in whole or in part, under this Policy, the recovery proceeds shall be applied as follows:

- a) the costs of pursuing the recovery shall first be deducted from the recovery proceeds and repaid to the Underwriters;
- b) from the remaining balance, the Insured should receive any sum paid or lost by it (excluding interest), in excess of its indemnification under this Policy;
- c) after payment of the above, the Underwriters should receive all sums they have paid (excluding interest) in respect of the loss which is the subject of the recovery;
- d) after payment of the above, the Insured receives any balance (excluding interest);
- e) after payment of above, any interest recovered should be distributed between the Insured and the Underwriters in the same manner outlined above.

### Alterations in Risk

The Insured is required to notify the Underwriters as soon as is reasonably practicable of all material facts or alterations in the risk which come to his knowledge or arise during the Policy Period. The Underwriters reserve the right to amend the Policy terms and conditions.

In the event of a deliberate or reckless breach of this term, the Underwriters shall have no further liability under this Policy and the Insured shall not be entitled to a pro-rated refund of the premium.

If the breach was not deliberate or reckless (for instance, negligent), depending on what Underwriters would have done had there been no breach, the Underwriters may:

- a) treat the Policy as if cancelled from the date of the alteration, decline all future claims and return a pro-rated portion of the Premium to the Insured where no claims have been made;
- b) treat the Policy as if it had been varied from the date of the alteration; or
- c) proportionally reduce the amount payable on a claim based on the increased Premium the Underwriters would have charged, as more specifically set out in the Insurance Act 2015.

### Apportionment of Defence Costs

Except where the Limit of Liability is inclusive of Defence Costs, if a payment exceeding the Limit of Liability has to be made to dispose of a Claim, the liability of the Underwriters to pay all Defence Costs in connection therewith shall be limited to such proportion of the said Defence Costs as the Limit of Liability bears to the amount paid to dispose of a Claim.

### Cancellation

- a) The Insured is entitled to cancel this Policy by giving the Underwriters 14 days' notice in writing;
- b) The Underwriters are entitled to cancel this Policy by giving the Insured thirty (30) days' notice in writing.

Upon such cancellation by either the Insured or the Underwriters, any return of Premium due to the Insured will be calculated at a proportional daily rate depending on how long the Policy has been in force unless the Insured have made a claim in which case the full annual Premium is due.

## Currency

The currency of all Premiums, sums insured, Limits of Liability and Excesses shown in this Policy, Schedule, Endorsement(s) or any renewal shall be Great British Pounds indicated as £.

## Discharge of Liability

The Underwriters may at any time pay to the Insured in connection with any Claim or series of Claims under this Policy to which a Limit of Liability applies the amount of such Limit (after deduction of any sums already paid) or any lesser amount for which such Claims can be settled. Upon such payment being made, and the payment of Defence Costs incurred prior to the date of such payment where such Defence Costs are stated as being in addition to the relevant Limit of Liability, Underwriters shall relinquish the conduct and control of and be under no further liability in connection with such Claims.

## Excess

Where an excess is stated in the Schedule the Insured shall be responsible for the first amount so specified each and every Occurrence, inclusive of costs and expenses.

No cover will be granted under any Section for the amount of the Excess stated in the Schedule. The Limits of Liability stated in the Schedule are in excess of and not reduced by the amount of any Excess.

Where an Occurrence gives rise to liability under Section 12 (Public Liability), 13 (Product Liability) and 14 (Pollution Liability), only the largest Excess of those Sections shall apply to all losses and Claims arising from that Occurrence.

## Fair Presentation

The Insured is under a duty to make a fair presentation of the risk to Underwriters prior to entering into the Policy and prior to the agreement of any variation to the Policy.

A fair presentation is one that includes all material information, presented in a manner that is clear and accessible, and in compliance with all requirements of the Insurance Act 2015.

Failure to make a fair presentation of the risk will give Underwriters a range of remedies, as set out in the Insurance Act 2015, which can be broadly summarised as follows:

- a) if the breach was deliberate or reckless:
  - (i) treat the Policy as if it never existed;
  - (ii) decline all claims; and
  - (iii) retain the premium; or
- b) if the breach was not deliberate or reckless (for instance, negligent), depending on what Underwriters would have done had there been no breach:
  - (i) treat the Policy as if it never existed, decline all claims and return the premium;
  - (ii) treat the Policy as if it had been entered into on different terms from those agreed, or
  - (iii) proportionally reduce the amount payable on a claim based on the premium the Underwriters would have charged, as more specifically set out in the Insurance Act 2015.

The remedies summarised in a) and b) apply to a breach of the duty of fair presentation made prior to the Policy being entered into, and, with some modifications, to a breach of the duty made prior to the agreement of a variation, as set out more fully in the Insurance Act 2015.

This summary is provided for illustrative purposes only to assist the Insured in understanding the duty to make a fair presentation and the consequences of a breach of the duty of fair presentation. It is not intended to amend or disapply any provision of the Insurance Act 2015 concerning the duty of fair presentation.

## Fraudulent Claims

- a) If the Insured makes a fraudulent claim under this Policy:
  - (i) the Underwriters are not liable to pay the claim;
  - (ii) the Underwriters may recover from the Insured any sums paid by the Underwriters to the Insured in respect of the claim; and
  - (iii) in addition, the Underwriters may by notice to the Insured treat the Policy as having been terminated with effect from the time of the fraudulent act.
- b) If the Underwriters do treat the Policy as having been terminated:
  - (i) they shall refuse all liability to the Insured under this Policy in respect of a relevant event occurring after the time of the fraudulent act; and
  - (ii) they need not return any of the Premiums paid under the Policy.

## Interpretation

In this Policy:

- a) the singular includes the plural and vice-versa; the masculine includes the feminine and vice versa.
- b) with the exception of headings, capitalised words and terms have the meaning given to them in the Definitions Section 4 of this Policy;
- c) a reference to a statute or statutory provision is a reference to it as amended or re-enacted. A reference to a statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, as amended or re-enacted;
- d) headings are capitalised for ease and used for general reference only. They shall not be considered when interpreting or determining the meaning of this Policy; and
- e) if any term, condition, exclusion, Endorsement or provision or part thereof is found to be or becomes invalid or unenforceable, this shall not affect the validity and enforceability of the remainder of the term, condition, exclusion, Endorsement or provision and the rest of this Policy.

## Jurisdiction of Covered Judgments

It is hereby agreed between Underwriters and the Insured that indemnity provided by this Policy shall apply only to judgments of first instance against the Insured in the Courts of Law of the Covered Jurisdictions stated in the Schedule and not to judgments obtained elsewhere nor to judgments or orders obtained in the said courts for the enforcement of foreign judgments, whether by way of reciprocal agreements or otherwise, unless the Insured has requested that there shall be no such limitation and has accepted the terms offered by Underwriters in granting such cover which offer and acceptance must be signified by specific endorsement to this Policy.

The Premium for this insurance has been calculated accordingly and no consideration has been paid in respect of sums payable under any other law or the jurisdiction of any other courts.

## Law and Jurisdiction

This Policy and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter, interpretation or formation shall be governed by and construed in accordance with the law of England and Wales.

Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including contractual or non-contractual disputes or claims) arising out of or in connection with this Policy or its subject matter, interpretation or formation.

## Limit of Liability

Underwriters' liability to pay Damages (including Claimants' costs, fees and expenses) and Defence Costs shall not exceed the sum stated in the Schedule in respect of any one Occurrence.

Where an Occurrence gives rise to liability under Section 12 (Public Liability), 13 (Product Liability) and/or 14 (Pollution Liability), the total amount of Underwriters' liability shall not exceed the greatest Limit of Liability available under the relevant Section providing indemnity for the Occurrence.

Where an aggregate Limit of Liability is stated in the Schedule to apply, the Underwriters' total liability to pay Damages (including Claimants' costs fees and expenses) and Defence Costs in respect of the entire Policy Period shall not exceed the stated aggregate Limit of Liability regardless of the number or severity of Occurrences or Claims.

Notwithstanding the above provisions, limits specified in an Additional Cover of this Policy will apply as set out in the Additional Cover.

## Other Insurance

If any Claim or loss covered by this Policy is also covered in whole or in part by any other valid and collectable insurance (other than insurance that is specifically stated to be in excess of this Policy) the insurance afforded by this Policy shall be in excess of and shall not contribute with such other insurances.

## Personal Protective Equipment

The Insured must at all times ensure that:

- a) all Employees are made aware of the dangers of not using personal protective equipment including but not limited to by way of training;
- b) personal protective equipment is provided and signed for upon receipt by the Employee, except that disposable personal protective equipment does not need to be signed for; and
- c) a register is maintained which demonstrates compliance with the above including but not limited to demonstrating that Employees have received appropriate training.

In the event of a breach of this term, the Underwriters shall have no liability under this Policy unless the Insured shows that the non-compliance with this term could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

## Precautions

The Insured must at all times take all reasonable precautions or steps:

- a) to observe and comply with all Statutory or local authority laws, obligations and requirements;
- b) in the selection of Employees or Sub-contractors;

- c) to see that construction plant equipment and machinery are substantial and sound and in proper order and fit for the purposes for which they are used; and
- d) to prevent accidents, Bodily Injury or Property Damage.

## Premium Adjustment

If any of the Premium for this Policy has been calculated on estimates furnished by the Insured, the Insured shall keep accurate records containing all particulars relative thereto and shall at all times allow the Underwriters to inspect such records. The Insured shall, within three months from the expiry of each Policy Period furnish such particulars to Underwriters and the Premium for such period shall thereupon be adjusted and the difference paid by or allowed to the Insured as the case may be subject to any minimum Premium required. The Underwriters reserve the right to request that the Insured supplies an auditor's certificate with such calculations that are the subject to adjustment under this Policy attesting to the accuracy thereof. Such calculations shall include all remuneration paid to Employees and all payments made to self-employed persons or employees of labour only sub-contractors for whom liability is assumed or on such other basis as may be agreed. If due, any additional Premium shall be paid within thirty (30) days of advice to the Insured of any adjustment due.

If the Insured fails to produce such particulars within the timeframe required or pay any additional Premium due in accordance with this clause, the Underwriters shall refuse to pay, or reduce the amount they pay, for any Claim under this Policy.

## Premium Payment

- a) The Insured undertakes that Premium will be paid in full to the Underwriters within sixty (60) days of inception of this Policy (or, in respect of instalment premiums, when due);
- b) If the Premium due under this contract has not been so paid to the Underwriters by the sixtieth (60th) day from the inception of this contract (and, in respect of instalment premiums, by the date they are due) the Underwriters shall have the right to cancel this contract by notifying the Insured via the Broker in writing. In the event of cancellation, Premium is due to Underwriters on a pro rata basis for the period that Underwriters are on risk, but the full contract premium shall be payable to Underwriters in the event of a loss or Occurrence or Claim prior to the date of termination which gives rise to a valid claim under this Policy;
- c) It is agreed that the Underwriters shall give not less than fifteen (15) days' prior notice of cancellation to the Insured via the broker. If Premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the contract shall automatically terminate at the end of the notice period;

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, this shall not affect the validity and enforceability of the other provisions of this clause which will remain in full force and effect.

## Rights of Recourse

The Insured will all times retain full rights of recourse against those supplying products or otherwise providing a service in connection with any Product or any component part thereof, unless the Underwriters have agreed in writing to the waiver of such rights.

In the event of a breach of this term, the Underwriters shall refuse to pay, or reduce the amount they pay, for any Claim under this Policy.

## Sub-contractors

The Insured must take all steps to ensure that all Sub-contractors that they engage maintain policies of insurance no less comprehensive than:

- a) employers' liability coverage with a limit of liability of not less than £5,000,000 any one Occurrence;
- b) public liability coverage with a limit of liability equal to or greater than the limits provided by this Policy; and
- c) both such policies contain an Indemnity to the Insured as principal.

The Insured:

- a) shall obtain written evidence of the above; and
- b) shall not assume by agreement, any liability that would not have attached to them in the absence of such agreement, including but not limited to, the assumption of liability on behalf of any sub-contractor or the waiver of rights of recourse against any Sub-contractor.

In the event of a breach of this term, the Underwriters shall have no liability under this Policy unless the Insured shows that the non-compliance with this term could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

## Subrogation

The Insured shall, at the request and at the expense of the Underwriters, do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Underwriters for the purpose of enforcing any rights and remedies of or obtaining relief or indemnity from other parties to which the Underwriters shall be or would become entitled or subrogated upon its paying for or making good any loss or damage insured by this Policy whether such acts and things shall be or become necessary or required before or after their indemnification by the Underwriters.

## Third Party Rights

A person who is not a party to this Policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Policy but this does not affect any right or remedy of a third party that exists or is available apart from that Act.

## United States of America and Canada Jurisdiction

Where the Covered Jurisdiction applicable to any Section is shown in the Schedule as Worldwide, then in respect of any judgment, award or settlement made within countries which operate under the laws of the United States of America or Canada or any order made anywhere in the world to enforce such judgment, award or settlement either in whole or in part:

- a) the Limits of Liability stated in the Schedule are inclusive of Defence Costs;
- b) any dispute concerning the interpretation of the terms, conditions, limitations and/or exclusions contained herein is subject to the law and exclusive jurisdiction of England and Wales;
- c) the Underwriters shall not be liable for the amount shown as the applicable Excess in the Schedule, being the first amount of each and every Claim. For the purpose of this condition "Claim" shall include compensatory awards or damages, Claimants' costs, fees and expenses and associated Defence Costs.

When this clause applies, General Exclusion 12 United States of America and Canada may also apply.

## Sanctions Suspension Clause

It is a condition of this Policy, and the Insured agrees, that the provision of any cover, the payment of any Claim and the provision of any benefit hereunder shall be suspended, to the extent that the provision of such cover, payment of such Claim or provision of such benefit by the Underwriters would expose the Underwriters to any sanction, prohibition or restriction under any:

- a) United Nations' resolution(s); or

b) the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Such suspension shall continue until such time as the Underwriters would no longer be exposed to any such sanction, prohibition or restriction.

## Sections 11 - 14: Definitions

This Section sets out the specific meaning given to certain words and terms used in this Policy.

### Definitions

Capitalised words and terms are defined in the Definitions below. As used herein:

#### Insured

The person(s), partnership, corporation or organization specified in the Schedule.

#### Bodily Injury

Death, bodily injury, illness or disease of or to any person.

#### Business

The ordinary business of the Insured specified under Business Description in the Policy Schedule undertaken by the Insured at or from the Premises;

The participation in exhibitions by the Insured.

#### Circumstance

A circumstance, condition, fact, event or incident known to the Insured and which the Insured ought reasonably to realise may give rise to a Claim.

#### Claim

A written demand, notice, or other written communication received by the Insured asserting a liability or responsibility of the Insured for damages or other relief.

#### Claimant

Any party making a Claim against the Insured.

#### Court of Summary Jurisdiction

A Magistrates' Court or such similar criminal court of first instance dealing with offences without the involvement of a jury.

#### Damages

Monetary compensation capable of being awarded in civil proceedings but excluding:  
Aggravated, punitive and exemplary damages; and  
Criminal fines and penalties.

#### Defence Costs

All costs, fees, and expenses incurred by the Insured, with the Underwriters' prior written consent, in the defence or settlement of any Claim under this Policy including legal expenses:

Arising out of representation at any Coroner's Inquest or Fatal Accident inquiry;

Arising out of any criminal prosecution or proceedings relating to an offence alleged to have been committed during the Policy Period by the Insured and/or (with the Underwriters' prior written consent for such cover) Employees, partners or directors of the Insured, and in the course of the Business of the Insured in respect of matters which may form the subject of indemnity by this Policy provided that:

The Underwriters shall not be liable for any fines or penalties imposed as a consequence of such prosecution;

The Underwriters shall not be responsible for Defence Costs where the Underwriters required the opinion of King's Counsel (whose appointment is at the Underwriters' sole discretion) as to whether or not such costs should extend or continue to extend to the support of such defence, and where such King's Counsel's opinion is that there is no reasonable defence to the prosecution;

The Underwriters' liabilities for Defence Costs in cases of breach or alleged breach of the English Health & Safety at Work Act 1974 (and/or any legislation of similar effect) are limited to prosecutions under Section 33(1)(a) to (c) of the Act or similar duty imposed under consolidating legislation or legislation in Scotland, Northern Ireland, the Isle of Man or the Channel Islands;

The Underwriters' liabilities for Defence Costs in cases of breach or alleged breach of the English Consumer Protection Act 1987 (and/or any legislation of similar effect) are limited to proceedings not consequent upon a deliberate act or omission; and

Arising out of the defence of any proceedings in a Court of Summary Jurisdiction in respect of matters which may form the subject of indemnity by this Policy.

### **Employee**

Any person under a contract of service or apprenticeship with the Insured or engaged by the Insured to perform a contract constituting the provision of labour only; while working for the Insured in connection with the Business.

### **Endorsement**

Changes to the terms and conditions or scope of this Policy agreed by the Underwriters that can add, delete or otherwise alter the cover provided by this Policy.

### **Excess**

The first amount of each and every Claim or Occurrence, as ascertained after the application of all other terms and conditions of this Policy, that is to be paid by the Insured and which the Underwriters are not liable to pay as specified in the Schedule.

### **Expiry Date**

The last day of the Policy Period.

### **Judgment for Damages**

A binding and enforceable award of damages or compensation and interest thereon made by a court, arbitrator, adjudicator or other arbiter of a Claim brought by an Employee against the Insured.

### **Limit of Liability**

The limit of liability applicable to the relevant Section (or sub-limit or item insured under such Section) specified in the Schedule. The Limit of Liability is inclusive of Defence Costs unless expressly specified in the Schedule to be in addition to Defence Costs.

### **Occurrence**

Any accident, event, events of a series, injury, continuous or repeated injurious exposure to substantially the same general conditions arising out of one originating cause which results in Bodily Injury, Property Damage or Pollution neither expected nor intended by the Insured.

### **Offshore**

The time from which an Employee of the Insured embarks onto a conveyance at the point of final departure to an offshore rig or offshore platform within the territorial waters of the United Kingdom, until such time the Employee disembarks from the conveyance onto land upon return from an offshore rig or an offshore platform.

## **Policy Period**

The period specified in the Schedule and will be the period of time during which this Policy provides indemnity.

## **Pollutants**

Any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapour, soot, fumes, dust, fibres, fungi, mould, acids, alkalis, chemicals or waste. Waste is deemed to include materials to be recycled, reconditioned or reclaimed. For the avoidance of doubt, bacteria, viruses or other pathogens do NOT fall within the definition of Pollutants.

## **Pollution**

Any discharge, seepage, migration, dispersal, release or escape of Pollutants at any time or contamination of any kind of the atmosphere or of any water, land, buildings or other tangible property.

## **Premises**

The buildings, lands, properties and constructions used for the purposes of the Insured's Business within the United Kingdom.

## **Premium**

The amount of premium specified in the Schedule.

## **Principal**

A person, persons or corporate body or other entity who engages the Insured, in writing, to perform a contract.

## **Product**

The Insured's tangible products (including all associated packaging material, containers, labelling, instructions, or advice provided in connection therewith) sold, supplied, distributed, free issued, loaned, leased or licensed to others, designed, specified, formulated, manufactured, processed, serviced, treated, constructed, installed, erected, inspected, adjusted, altered, cleaned, handled, repaired by, or on behalf of, the Insured in the ordinary course of Business, which have left the care, custody or control of the Insured.

## **Property Damage**

Physical loss of or material damage to or destruction of tangible property.

## **Retroactive Date**

The date(s) stated in the Schedule.

## **Schedule**

The document entitled Schedule which relates to and forms part of this Policy.

## **Sub-contractor**

Any bona fide sub-contractor including any company or firm or individual who enters into a contract with the Insured, in the course of the Insured's Business, for the provision of services or the supply of goods or materials in conjunction with labour, but this does not include any company, firm or individual who enters into a contract of service with the Insured for supply of labour only.

## **Territorial Limits**

The Territorial Limits stated in the Schedule.

## **Terrorism**

An act or series of acts including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious, or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

## **Underwriters**

Convex Insurance UK Limited.

## **United Kingdom**

England, Wales, Scotland, Northern Ireland, the Isle of Man and the Channel Islands.

# Sections 11 - 14: Regulatory & Privacy Information

## Financial Services Compensation Scheme

The Underwriters are covered by the Financial Services Compensation Scheme. The Insured may be entitled to compensation from the Scheme if the Underwriters are unable to meet its obligations to you under this Policy. If the Insured were entitled to compensation under the Scheme, the level and extent of the compensation would depend on the nature of this Policy. Further information about the Scheme is available from the Financial Services Compensation Scheme (7<sup>th</sup> Floor, Lloyd's Chambers, Portsoken Street, London E1 8BN) and on their website ([www.fscs.org.uk](http://www.fscs.org.uk)).

## Regulatory Information

Convex Insurance UK Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Firm Reference No. 840616).

Registered Office 52 Lime Street, London, EC3M 7AF.

Registered in England Number 11796392.

You can find this information on the Financial Conduct Authority's ("FCA's") website at [www.fca.org.uk](http://www.fca.org.uk) which includes a register of all the firms the FCA regulate or by calling the FCA on 0800 111 6768 (Call 0800 111 6768 (freephone) or 0300 500 8082 from the UK), or +44 207 066 1000 from abroad. The FCA are open from Monday to Friday, 8am to 6pm and Saturday 9am to 1pm.

## Privacy

This Privacy Notice describes how Convex Insurance UK Limited (for the purpose of this notice "We", "Us" or "Convex Insurance UK Limited") collect and use the personal information of insureds, claimants, and other parties (for the purpose of this notice "You") when We are providing our insurance and reinsurance services.

## How We Will Use Your Data

The information provided to Convex Insurance UK Limited, together with medical and any other information obtained from You or from other parties about You in connection with this Policy, will be used by Convex Insurance UK Limited for the purposes of determining Your application, the operation of insurance (which includes the process of underwriting, administration, claims management, analytics relevant to insurance, rehabilitation and customer concerns handling) and fraud prevention and detection. We may be required, by law, to collect certain personal information about You, or because of any contractual relationship We have with You. Failure to provide this information may prevent or delay the fulfilment of these obligations.

Information will be shared by Convex Insurance UK Limited for these purposes with other group companies and third parties, insurance intermediaries and service providers. Such parties may become Data Controllers in respect of Your personal information. Because We operate as part of a global business, We may transfer Your personal information outside the European Economic Area for these purposes.

## Your Rights Regarding Your Personal Information

You have certain rights regarding Your personal information, under local law. These include the rights to request access, rectification, erasure, restriction, objection, and receipt of Your personal information in a usable electronic format and to transmit it to a third party (right to portability).

If You have questions or concerns regarding the way in which Your personal information has been used, please contact the Data Protection Officer, Lorraine Mullins, by email or letter at:

[Lorraine@convexin.com](mailto:Lorraine@convexin.com)

Convex Insurance UK Limited  
52 Lime Street  
London EC3M 7AF  
United Kingdom

We are committed to working with you to obtain a fair resolution of any concern about privacy. If, however, you believe that we have not been able to assist with your concern, you have the right to make a complaint to the UK Information Commissioner's Office ("ICO").

For more information about how we process your personal information, please see our full privacy notice at: <https://convexin.com/privacy-policy/> or for a written copy please contact us at:

Convex Insurance UK Limited  
52 Lime Street  
London EC3M 7AF  
United Kingdom

## Section 15: Legal Expenses

### Important notice

This section is provided by ARAG plc ("ARAG") who is authorised to administer this insurance on behalf of the **insurer** ARAG Legal Expenses Insurance Company Limited. ARAG is registered in England and Wales. Company number 02585818. Registered address: Unit 4a, Greenway Court, Bedwas, Caerphilly CF83 8DW. ARAG is authorised and regulated by the Financial Conduct Authority, firm registration number 452369.

ARAG Legal Expenses Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FRN202106) and the Prudential Regulation Authority. Registered Address: Unit 4a, Greenway Court, Bedwas, Caerphilly CF83 8DW. Registered in England and Wales. Company Number 103274.

### Additional definitions

The following words will have the same meaning wherever they appear in this section or in the schedule or any endorsements relating to this section. To help identify these words they will appear in bold in the section wording.

#### Appointed advisor

The

- 1) solicitor, accountant, or other advisor (who is not a mediator), appointed by **us** to act on behalf of the **insured**;
- 2) mediator appointed by **us** to provide impartial dispute resolution in relation to a claim accepted by **us**.

#### Business

The occupation, trade profession or enterprise carried out by the entity shown in the schedule that attaches to this policy.

#### Employee

A worker who has or alleges they have entered into a contract of service with **you**.

#### Insured

- 1) **You, your** directors, partners, managers, officers and **employees** of **your business**.
- 2) A person declared to **us**, who is contracted to perform work for **you**, who in all other respects **you** have arranged to insure on the same basis as **your employees** and who performs work under **your** supervision.

#### Insurer

ARAG Legal Expenses Insurance Company Limited.

### Legal costs & expenses

- 1) Reasonable legal costs and disbursements reasonably and proportionately incurred by the **appointed advisor** on the standard basis and agreed in advance by **us**. The term "standard basis" can be found within the Courts' Civil Procedure Rules Part 44.2.
- 2) In civil claims, other side's costs, fees and disbursements where the **insured** has been ordered to pay them or pays them with **our** agreement.
- 3) Reasonable accountancy fees reasonably incurred under Insured event 4 Tax disputes by the **appointed advisor** and agreed by **us** in advance.
- 4) Health and Safety Executive Fees for Intervention.
- 5) **Your employee's** basic wages or salary under Insured event 9 Loss of earnings in the course of their employment with **you** while attending court or tribunal at the request of the **appointed advisor** or whilst on jury service where

lost wages or salary cannot be claimed back from the court or tribunal.

- 6) The reasonable cost of phone calls, postage (including special delivery), image scanning, photocopying or credit reports incurred under **Insured** event 11 c) where the insured has taken advice from **our** Executive suite – identity theft resolution helpline.
- 7) The professional fees and expenses of an **appointed advisor** selected by **us** to reduce the actual adverse or negative publicity or media attention under Insured events 11 e) Executive suite and 12 Crisis communication.

## Period of insurance

The period shown in the schedule to which this policy attaches. (The **period of insurance** shall otherwise expire on earlier cancellation of this policy.)

## Reasonable prospects of success

- 1) Other than as set out in 2) and 3) below, a greater than 50% chance of the **insured** successfully pursuing or defending the claim and, if the **insured** is seeking damages or compensation, a greater than 50% chance of enforcing any judgment that might be obtained. Under Insured event 13 Contract & debt recovery, there must be a greater than 50% chance of successfully defending the claim in its entirety.
- 2) In criminal prosecution claims where the **insured**
  - (i) pleads guilty, a greater than 50% chance of reducing any sentence or fine or
  - (ii) pleads not guilty, a greater than 50% chance of that plea being accepted by the court.
- 3) In all claims involving an appeal, a greater than 50% chance of the **insured** being successful.

Where it has been determined that **reasonable prospects of success** do not exist, the **insured** shall be liable to pay any legal costs incurred should they pursue or defend their claim irrespective of the outcome.

## Territorial limit

- 1) For Insured events 6 Legal defence and 13 Contract & debt recovery the United Kingdom, Channel Islands, Isle of Man, Norway, Switzerland and countries in the European Union. [https://europa.eu/european-union/index\\_en](https://europa.eu/european-union/index_en)
- 2) For all other Insured events the United Kingdom, Channel Islands and the Isle of Man.

## We/Us/Our

ARAG plc who is authorised under a binding authority agreement to administer this insurance on behalf of the **insurer**.

## You/Your

The individual, partnership or corporate body named in the schedule, including any subsidiary and/or associated companies declared to **us**.

## Helplines & additional services

**We** record and monitor calls for training purposes, to improve the quality of **our** service, to help **us** deal with queries or complaints from **you** and to prevent and detect fraud and financial crime.

All helplines are subject to fair and reasonable use. The level of fair usage will depend on individual circumstances. However, if **our** advisors consider that **your** helpline usage is becoming excessive they will tell **you**. If following that warning, usage is not reduced to a more reasonable level, **we** can refuse to accept further calls.

## Legal and tax advice 0344 571 7978

If **you** have a legal or tax problem relating to **your** business, **we** recommend **you** call **our** confidential legal and tax advice helpline. Legal advice is available 24 hours a day, 365 days of the year, and tax advice is available between

9am and 5pm on weekdays (except bank holidays).

**We** give advice about business-related legal matters within UK and EU law and tax matters within the UK. **Your** query will be dealt with by a qualified specialist who is experienced in handling legal and tax-related matters.

Use of this service does not constitute reporting of a claim.

### Redundancy assistance 0330 303 1955

If **you** are planning redundancies and need extra legal support, **we** can arrange specialist consultancy assistance for **you**. Redundancy assistance will help **you** to implement a fair selection process and ensure that the redundancy notices are correctly served. The service offers document review and telephone or written advice and is subject to a charge. If **you** would like **us** to arrange Redundancy assistance please call **us** between 9am and 5pm on weekdays (except bank holidays).

### Executive suite – identity theft resolution 0333 000 2083

This service is available to the principal, executive officers, directors and partners of the business between 9am and 5pm on weekdays (except bank holidays). **We** provide telephone advice to help executives keep their personal identity secure. Where identity theft is suspected, **our** specialist caseworkers can help the victim to restore their credit rating and correspond with their card issuer, bank or other parties. Identity theft expenses are insured under Insured event 11 c) when **your** executives use this helpline.

### Crisis communication 0344 571 7964

Following an event that has attracted negative publicity which could affect **your business**, **you** can access professional public relations support from our Crisis communication experts at any time.

In advance of any actual adverse publicity, where possible, initial advice for you to act upon will be provided over the phone. If **your** circumstances require professional work to be carried out at that time, **we** can help on a consultancy basis and subject to **you** paying a fee.

Where an event has led to actual publicity online, in print or broadcast, that could damage **your business**, **you** are insured against the costs of crisis communication services under Insured event 12 when **you** use this helpline.

### Counselling assistance 0333 000 2082

**Our** qualified counsellors will provide free confidential support and advice by phone to **your employees** or their family members who are suffering from emotional upset or feeling worried and anxious about a personal or work-related problem. This service is available 24 hours a day, 365 days of the year. Calls to the Counselling assistance service will not be recorded.

### Business legal services

[www.araglegal.co.uk](http://www.araglegal.co.uk)

### Getting started

You will need to enter voucher code **X1232KC79BB5** when you register to use the website. Once you have registered you can access the website at any time to create and securely store your legal documents.

### More help?

If you have problems using the website please contact our digital technical support team. Contact details can be found on the website. Our digital technical support team cannot give you legal or insurance advice.

## Privacy statement

This is a summary of how we, on behalf of the insurer, collect, use, share and store personal information. To view our full privacy statement, please see our website: [www.arag.co.uk/data-legal/privacy-notice/](http://www.arag.co.uk/data-legal/privacy-notice/).

### Collecting personal information

ARAG may be required to collect certain personal or sensitive information which may include name, address, date of birth and if appropriate medical information. We will hold and process this information in accordance with all relevant data protection regulations and legislation. Should we ask for personal or sensitive information, we undertake that it shall only be used in accordance with our privacy statement. We may also collect information for other parties such as suppliers we appoint to process the handling of a claim.

### Using personal or sensitive information

The reason we collect personal or sensitive information is to fulfil our contractual and regulatory obligations in providing this insurance product, for example to process premium or handle a claim. To fulfil these obligations, we may need to share personal or sensitive information with other organisations.

We will not disclose personal or sensitive information for any purpose other than the purpose for which it was collected. Please refer to our full privacy statement for full details.

### Keeping personal information

We shall not keep personal information for any longer than necessary.

### Your rights

Any person insured by this policy has a number of rights in relation to how we hold personal data including; the right to a copy of the personal data we hold; the right to object to the use of personal data or the withdrawal of previously given consent; the right to have personal data deleted.

For a full list of privacy rights and when we will not be able to delete personal data, please refer to our full privacy statement.

### What happens if the insurer cannot meet its liabilities?

The insurer is covered by the Financial Services Compensation Scheme (FSCS). The insured may be entitled to compensation of up to 90% of the cost of their claim in the unlikely event that the insurer cannot meet its obligations. Further information about compensation scheme arrangements is available at [www.fscs.org.uk](http://www.fscs.org.uk)

## Your policy cover

Following an Insured event, the **insurer** will pay **legal costs & expenses** including the cost of appeals (and compensation awards under Insured event 2 Employment compensation awards), up to

- a) the limit of indemnity specified in the schedule to which this policy attaches for all claims related by time or originating cause;
- b) an aggregate limit of £1,000,000 for compensation awards under Insured event 2 Employment compensation awards;

subject to all of the following requirements being met:

1. **You** have paid the insurance premium.
2. The **insured** keeps to the terms of this policy and cooperates fully with **us**.
3. Unless otherwise stated in this policy, the Insured event arises in connection with **your business** and occurs within the **territorial limit**.
4. The claim
  - a. always has **reasonable prospects of success** and
  - b. is reported to **us**
    - i. during the **period of insurance** and
    - ii. as soon as the **insured** first becomes aware of circumstances which could give rise to a claim.
5. Unless there is a conflict of interest, the **insured** always agrees to use the **appointed advisor** chosen by **us**
  - a. in any claim to be heard by an Employment Tribunal and/or
  - b. before proceedings have been or need to be issued.
6. Any dispute will be dealt with through mediation or by a court, tribunal, Advisory Conciliation and Arbitration Service or a relevant regulatory or licensing body within the **territorial limit**.

**We** consider that a claim has been reported to **us** when **we** have received the **insured's** fully completed claim.

## 1 Employment

A dispute between **you** and **your employee**, **ex-employee**, or a prospective **employee**, arising from a breach or an alleged breach of their

- a) contract of service with **you**
- b) related legal rights.

**You** can claim under the policy as soon as internal procedures as set out in the

- a) ACAS Code of Practice for Disciplinary and Grievance Procedures or
  - b) Labour Relations Agency Code of Practice on Disciplinary and Grievance Procedures in Northern Ireland
- have been or ought to have been concluded.

### What is not covered under Insured event 1

Any claim arising from or relating to:

1. the pursuit of an action by **you** other than an appeal against the decision of a court or tribunal
2. actual or alleged redundancy that is notified to **employees** within 180 days of the start of this policy, except where **you** have had equivalent cover in force up until the start of this policy
3. costs **you** incur to prepare for an internal disciplinary hearing, grievance or appeal
4. a pension scheme where actions are brought by ten or more **employees** or **ex-employees**.

## 2 Employment compensation awards

Following a claim **we** have accepted under Insured event 1 Employment, the **insurer** will pay any

- a) basic and compensatory award or
- b) an amount agreed by **us** in settlement of a dispute.

Provided that compensation is:

- a) agreed through mediation, conciliation or under a settlement approved by **us** in advance or
- b) awarded by a tribunal judgment after full argument unless given by default.

### What is not covered under Insured event 2

1. Money due to an **employee** under a contract or a statutory provision relating thereto.
2. Compensation awards or settlements relating to
  - a) trade union membership, industrial or labour arbitration or collective bargaining agreements
  - b) civil claims or statutory rights relating to trustees of occupational pension schemes

## 3 Employment restrictive covenants

- a) A dispute with **your employee** or **ex-employee** which arises from their breach of a restrictive covenant where **you** are seeking financial remedy or damages.

Provided that the restrictive covenant

- i) is designed to protect **your** legitimate **business** interests, for a period not exceeding 12 months and
  - ii) is evidenced in writing and signed by **your employee** or ex-**employee** and
  - iii) extends no further than is reasonably necessary to protect the **business** interests.
- b) A dispute with another party who alleges that **you** have breached their legal rights protected by a restrictive covenant.

#### 4 Tax disputes

- a) A formally notified enquiry into **your business** tax.
- b) A dispute about **your** compliance with HMRC regulations relating to **your employees**, workers or payments to contractors.
- c) A dispute with HMRC about Value Added Tax.

Provided that:

- a) you keep proper records in accordance with legal requirements and
- b) in respect of any appealable matter **you** have requested an Internal Review from HMRC where available.

#### What is not covered under Insured event 4

Any claim arising from or relating to:

1. tax returns which are submitted late or for any other reason, result in HMRC imposing a penalty, or which contain careless and/or deliberate misstatements or omissions
2. an investigation by the Fraud Investigation Service of HMRC
3. circumstances where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to **your** financial arrangements
4. any enquiry that concerns assets, monies or wealth outside of the United Kingdom
5. **your** failure to register for VAT.

#### 5 Property

A dispute relating to material property which **you** own or is **your** responsibility:

1. following an event which causes physical damage to **your** material property
2. following a public or private nuisance or trespass
3. which **you** wish to recover or repossess from an **employee** or ex-**employee**.

#### What is not covered under Insured event 5

Any claim arising from or relating to:

1. a contract between **you** and a third party except for a claim under 5 c)
2. goods lent or hired out
3. compulsory purchase, demolition restrictions, controls or permissions placed on land or property by any government, local or public authority.

#### 6 Legal defence

- a) A criminal investigation and/or enquiry by:
  - i. the police or
  - ii. other body with the power to prosecute

where it is suspected that an offence may have been committed that could lead to the **insured** being prosecuted.

- b) The charge for an offence or alleged offence which leads to the **insured** being prosecuted in a court of criminal jurisdiction.

#### What is not covered under Insured event 6

Any claim relating to a parking offence.

### 7 Compliance & regulation

- a) Receipt of a Statutory Notice that imposes terms against which **you** wish to appeal.
- b) Notice of a formal investigation or disciplinary hearing by any professional or regulatory body.
- c) A civil action alleging wrongful arrest arising from an allegation of theft.
- d) A claim against **you** for compensation under the Data Protection Act 2018 provided that
  - i) **you** are registered with the Information Commissioner
  - ii) **you** are able to evidence that **you** have in place a process to
    - (1) investigate complaints from data subjects regarding a breach of their privacy rights
    - (2) offer suitable redress where a breach has occurred and that **your** complaints process has been fully engaged.
- e) A civil action alleging that an **insured** (or an ex-**employee** provided that they have **your** agreement to claim under this policy) has
  - i) committed an act of unlawful discrimination; or
  - ii) failed to correctly exercise their fiduciary duty as a trustee of a pension fund set up for the benefit of **your employees**.

#### What is not covered under Insured event 7

Any claim arising from or relating to:

1. the pursuit of an action by **you** other than an appeal
2. a routine inspection by a regulatory authority
3. an enquiry, investigation or enforcement action by HMRC
4. a claim brought against **your business** where unlawful discrimination has been alleged.

### 8 Statutory licence appeals

An appeal against a formal written proposal by the relevant authority to alter, suspend, revoke or refuse to renew a licence or compulsory registration required to run **your business**.

### 9 Loss of earnings

The **insured's** absence from work to attend court, tribunal, arbitration, regulatory proceedings or a professional body's disciplinary hearing at the request of the **appointed advisor** or whilst on jury service which results in loss of earnings.

#### What is not covered under Insured event 9

Any sum which can be recovered from the court.

## 10 Personal injury

An event that causes bodily injury to, or the death of, an **insured**.

### What is not covered under Insured event 10

Any claim arising from or relating to a condition, illness or disease which develops gradually over time.

## 11 Executive suite

This Insured event applies only to the principal, executive officers, directors and partners of **your business**.

- a) An HMRC enquiry into the executive's personal tax affairs.
- b) A motoring prosecution that arises from driving for personal, social or domestic use, including commuting to or from **your business**.
- c) A claim that arises from personal identity theft provided that the person claiming has sought and followed advice from the Executive suite - identity theft resolution helpline.
- d) A dispute that arises from the terms of **your business** partnership agreement that is to be referred to mediation.
- e) Crisis communication as described in Insured event 12 below shall be available to the principal, executive officers, directors and partners of the **business** for matters occurring in their private and personal capacity that cause significant adverse publicity or reputational damage.

### What is not covered under Insured event 11

1. Any claim arising from or relating to:
  - a) tax returns which are submitted late or for any other reason, result in HMRC imposing a penalty or which contain careless and/or deliberate misstatements or omissions
  - b) an investigation by the Fraud Investigation Service of HMRC
  - c) circumstances where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to the executive's financial arrangements
  - d) any enquiry that concerns assets, monies or wealth outside of the United Kingdom
  - e) a parking offence
  - f) costs incurred in excess of £25,000 for a claim under 11 and 11 e).
2. Crisis communication for a matter that has not actually resulted in adverse publicity appearing online, in print or broadcast.

## 12 Crisis communication

Following an event which causes significant adverse publicity or reputational damage which is likely to have a widespread financial impact on **your business**, we will:

- a) liaise with **you** and **your** solicitor (whether the solicitor is an **appointed advisor** under this policy, or acts on **your** behalf under any other policy) to draft a media statement or press release

- b) prepare communication for **your** staff/customers/suppliers and/or a telephone or website script or social media messaging
- c) arrange, support and represent the **insured** at an event which media will be reporting
- d) support the **insured** by taking phone calls/emails and managing interaction with media outlets
- e) support and prepare the **insured** for media interviews

provided that **you** have sought and followed advice from **our** Crisis communication helpline.

### What is not covered under Insured event 12

Any claim arising from or relating to:

- 1. matters that should be dealt with through **your** normal complaints procedures
- 2. a matter that has not actually resulted in adverse publicity appearing online, in print or broadcast
- 3. costs incurred in excess of £25,000.

### 13 Contract & debt recovery

A breach or alleged breach of an agreement or alleged agreement which has been entered into by **you** or on **your** behalf to buy, sell, hire or lease goods or services or to rent **your business** premises, provided that if **you** are claiming for an undisputed debt **you** have exhausted **your** normal credit control procedures.

### What is not covered under Insured event 13

Any claim arising from or relating to:

- 1) an amount which is less than £200
- 2) a dispute with a tenant or lessee where **you** are the landlord or lessor
- 3) the sale or purchase of land or buildings
- 4) loans, mortgages, endowments, pensions or any other financial product
- 5) computer hardware, software, internet services or systems which
  - a) have been supplied by **you** or
  - b) have been tailored to **your** requirements
- 6) a breach or alleged breach of a professional duty by an **insured**
- 7) the settlement payable under an insurance policy
- 8) a dispute relating to an **employee** or ex-**employee**
- 9) adjudication or arbitration.

### What is not covered by this Section (applicable to the whole Section)

The **insured** is not covered for any claim arising from or relating to:

- 1. costs or compensation awards incurred without **our** consent
- 2. any actual or alleged act, omission or dispute happening before, or existing at the start of the insurance provided by this policy, and which the **insured** knew or ought reasonably to have known could lead to a claim
- 3. an allegation against the insured involving:
  - a) assault, violence, malicious falsehood or defamation
  - b) indecent or obscene materials
  - c) the use of alcohol or its unauthorised or unregulated manufacture, unlicensed dealing in alcohol or dealing in

- or using illegal drugs
  - d) illegal immigration
  - e) money laundering or bribery offences, fraud, or any other financial crime activities
  - f) antitrust or competition law and/or regulation
- except in relation to Insured event 12 Crisis communication
4. defending a claim in respect of damages for personal injury (other than injury to feelings in relation to Insured event 1 Employment), or loss or damage to property owned by the **insured**
  5. National Minimum Wage and/or National Living Wage Regulations
  6. patents, copyright, passing-off, trade or service marks, registered designs and confidential information (except in relation to Insured event 3 Employment restrictive covenants)
  7. a dispute with any subsidiary, parent, associated or sister company or between shareholders or partners (except in relation to mediation under Insured event 11 d)
  8.
    - a) a franchise agreement
    - b) an agency agreement through which one party has the legal capacity to alter the legal relations of the other
  9. a judicial review
  10. a dispute with us, the **insurer** or the party who arranged this cover not dealt with under Condition 6.
  11.
    - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
    - b) radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
    - c) war, invasion, act of foreign enemy hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, riot or civil commotion
    - d) pressure waves from aircraft or other aerial devices travelling at sonic or supersonic speed
    - e) any terrorist action (regardless of any other cause or event contributing concurrently or in any other sequence to the liability) or any action taken in controlling, funding, preventing or suppressing terrorist action.
    - f) a dispute where providing cover, payment of any claim or the provision of any benefit under this policy would breach any international resolutions or any laws or regulations on sanctions (including but not limited to any financial and trade sanctions, export controls, anti-money laundering and anti-boycott laws) or would expose the **insurer** or any of their affiliated group of companies to any sanction, prohibition or restriction under such resolutions, laws or regulations.
  12. The payment of fines, penalties or compensation awarded against the **insured** (except as covered under Insured event 2 Employment compensation awards); or costs awarded against the **insured** by a court of criminal jurisdiction.

## Policy Conditions

Where the **insurer's** risk is affected by the **insured's** failure to keep to these conditions the **insurer** can refuse a claim or withdraw from an ongoing claim. The **insurer** also reserves the right to claim back **legal costs & expenses** from the **insured** if this happens.

### 1) The insured's responsibilities

An **insured** must:

- a) tell **us** immediately of anything that may make it more costly or difficult for the **appointed advisor** to resolve

the claim the **insured's** favour

- b) cooperate fully with **us**, give the **appointed advisor** any instructions **we** require, and keep them updated with progress of the claim and not hinder them
- c) take reasonable steps to claim back **legal costs & expenses** and, where recovered, pay them to the **insurer**
- d) allow the **insurer** at any time to take over and conduct in the **insured's** name, any claim.

## 2) Freedom to choose an appointed advisor

- a) In certain circumstances as set out in 2.b) below the **insured** may choose an **appointed advisor**. In all other cases, no such right exists and **we** shall choose the **appointed advisor**.
- b) If:
  - a. a suitably qualified advisor considers that it has become necessary to issue proceedings or proceedings are issued against an **insured**, or
  - b. there is a conflict of interest

the **insured** may choose a qualified legal representative except, where the **insured's** claim is to be dealt with by the Employment Tribunal, **we** shall always choose the **appointed advisor**.

- c) Where the **insured** wishes to exercise the right to choose, the **insured** must write to us with their preferred representative's contact details.
- d) Where the **insured** chooses to use their preferred representative, the **insurer** will not pay more than **we** agree to pay a solicitor from **our** panel and will pay only the costs that the **insurer** would have been liable to pay. (**Our** panel solicitor firms are chosen with care and **we** agree special terms with them, including rates which may be lower than those available from other firms).
- e) If the **insured** dismisses the **appointed advisor** without good reason, or withdraws from the claim without **our** written agreement, or if the **appointed advisor** refuses with good reason to continue acting for an **insured**, the **insurer's** liability in respect of that claim will end immediately.

## 3) Consent

- a) The **insured** must agree to **us** having sight of the **appointed advisor's** file relating to the **insured's** claim. The **insured** is considered to have provided consent to **us** or **our** appointed agent to have sight of their file for auditing and quality and cost control purposes.
- b) An **insured** must have **your** agreement to claim under this policy.

## 4) Settlement

- a) The **insurer** can settle the claim by paying the reasonable value of the **insured's** claim.
- b) The **insured** must not negotiate or settle the claim without **our** written agreement.
- c) If the **insured** refuses to settle the claim following advice to do so from the **appointed advisor** the **insurer** reserves the right to refuse to pay further costs.

## 5) Barrister's opinion

**We** may require the **insured** to obtain and pay for an opinion from a barrister if a dispute arises regarding the

merits or value of their claim. If the opinion supports the **insured**, then the **insurer** will reimburse the reasonable costs of that opinion. If that opinion conflicts with advice obtained by **us**, then the **insurer** will pay for a final opinion which shall be binding on the **insured** and **us**. This does not affect the **insured's** right under Condition 6 below.

## 6) Dispute resolution

If there is a disagreement about the handling of a claim and it is not resolved through **our** internal complaints procedure the Financial Ombudsman Service may be able to help. This is a free complaint resolution service for eligible complaints. (Details available from [www.financialombudsman.org.uk](http://www.financialombudsman.org.uk))

Alternatively, there is a separate arbitration process available that can be used to settle any dispute with **us**. Any arbitration will be governed by English law, the seat of the arbitration will be England, and the Chartered Institute of Arbitrators (Ciab) Arbitration Rules will apply. The arbitrator will be a jointly agreed barrister, solicitor or other suitably qualified person. If there is a disagreement over the choice of arbitrator, the party wanting the arbitration will ask the Ciab to decide. The **insurer** will pay 50% of any upfront arbitrator costs provided these are incurred with **our** expressed consent. The other party to the arbitration will pay the remaining 50%. Payment of any upfront arbitrator costs by the **insurer** is subject to any final decision by the arbitrator on costs. For example, the arbitrator may decide that costs may be split between the parties or one party may pay all the costs.

## 7) Other insurance

The **insurer** will not pay more than their fair share (rateable proportion) for any claim covered by another policy, or any claim that would have been covered by any other policy if this policy did not exist; even if the other insurer refuses the claim.

## 8) Fraudulent claims and claims tainted by dishonesty

- a) If the **insured** makes any claim which is fraudulent or false, the policy may immediately become void and all benefit under it may be lost.
- b) An **insured** shall at all times be entirely truthful and open in any evidence, disclosure or statement they give and shall act with complete honesty and integrity throughout. Where, on the balance of probabilities and having considered carefully all the facts of any claim, it appears to the **appointed advisor** that the **insured** has breached this condition and that the breach has:
  - i) affected **our** assessment of **reasonable prospects of success**, and/or
  - ii) prejudiced in any part the outcome of the **insured's** claim

the **insurer** shall have no liability for **legal costs & expenses** incurred from the date of the **insured's** breach.

## 9) Cancellation

- a) You may cancel the policy:
  - i) within 14 days of the date of its purchase with a full refund of premium paid provided that a claim has not been accepted; or
  - ii) at any other time by giving us at least 21 days written notice and the insurer will refund the premium for the time remaining of the period of insurance unless a claim has been or is later accepted by us in which case no refund of premium shall be allowed.
- b) Where there is a valid reason for doing so, the insurer has the right to cancel the policy at any time by giving you at least 21 days written notice. The insurer will refund the premium for the time remaining of the period of insurance. We will set out the reason for cancellation in writing. Valid reasons may include but are not limited to:

- i) where the party claiming under this policy fails to cooperate with or provide information to us or the appointed advisor in a way that materially affects our ability to process a claim, or our ability to defend the insurer's interests,
  - ii) where the insured uses threatening or abusive behaviour or language, or intimidates or bullies our staff or suppliers,
  - iii) where we have evidence that the insured has committed a fraudulent act.
- c) The insurer may also cancel the policy and refund the premium for the remaining period of insurance if at any time you:
- i) enter into a voluntary arrangement or a deed of arrangement or
  - ii) become bankrupt, are placed into administration, receivership or liquidation or
  - iii) have your affairs or property in the care or control of a receiver or administrator.

#### **10) Law that applies**

This policy is governed by English law and the parties agree to the exclusive jurisdiction of the English courts for any dispute (including non-contractual disputes) arising from or connected to this policy.

#### **11) Acts of parliament**

All legal instruments, bodies and rules referred to within the Insured events shall include the equivalent in Wales, Scotland, Northern Ireland, the Isle of Man and the Channel Islands and any subsequent amendment or replacement.

#### **12) Contracts (Rights of Third Parties) Act 1999**

Apart from **us**, only the policyholder shown in the policy schedule may enforce all or any part of this policy and the rights and interests arising from or connected with it. This means that the Contracts (Rights of Third Parties) Act 1999 does not apply to the policy in relation to any third-party rights or interest.

Arranged by



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