Policy Wording

Property Owners

Touchstone Underwriting

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Insuring Agreement

This **policy** and the **schedule** have been prepared in accordance with the **insured's** instructions.

The **insured** is required to read it carefully to ensure that it meets with its requirements.

Alterations in the insurance required after the issue of this **policy** will be confirmed either by a revised **schedule** issued in substitution for the original **schedule** or by **endorsement**.

Notice by the **insured** to the **company** is required as soon as reasonably practicable of any changes which may affect the insurance provided by this **policy**.

The **company** and the **insured** agree that:

- this **policy**, the **schedule** (including any **schedule** and **endorsements** issued in substitution) and any **endorsements** are considered to be one document.
- the **company** will provide the insurance described in this **policy**, subject to its terms and conditions, for the period of insurance shown in the **schedule** and any subsequent period for which the **insured** shall pay and the **company** shall agree to accept the premium.

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Important Information

How to make a complaint

The aim of the **company** is to ensure that all aspects of this insurance are dealt with promptly, efficiently and fairly. At all times the **company** is committed to providing the **insured** with the highest standard of service.

If the **insured** has any questions or concerns about their **policy** or the handling of a claim, they should in the first instance contact their insurance agent or the following:

Complaints on Service and for Complaints in respect of Sections 1-5

Service Delivery Manager
Touchstone Underwriting Limited
Iveco House, The Junction, Station Road, Watford, WD17 1ET
Telephone: 01923 298440
Email servicedeliverymanager@t-u-l.co.uk

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
Website: 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 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 we have considered your complaint, or if you have not received a written final response within eight weeks from the date your complaint was received, you may be entitled to refer your complaint to the Financial Ombudsman Service who will independently consider your complaint free of charge. Their contact details are:

Post: The Financial Ombudsman Service, Exchange Tower, London E14 9SR
Telephone: 0800 0234567 Mobile: 0300 1239123 Outside UK: +44 (0) 20 7964 0500
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

Please note:

The **insured** must refer their complaint to the Financial Ombudsman Service within six months of the date of the final response.

The Financial Ombudsman Service will normally only consider a complaint from private individuals or from small business, charity ort trust that satisfy certain criteria. Please check the Financial Ombudsman Service's website for further information.

For Complaints under Section 5 – 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

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

How to make a claim

We hope to make the process of making a claim under this policy as simple as possible.

In the first instance, you should contact the insurance adviser who placed these insurances on your behalf.

Please provide as much information about the loss, damage or liabilities arising as soon as possible to ensure that we are able to quickly assist.

We may need to appoint a Loss Adjuster to help you through the claim. Contact details of persons in your company able to assist them will be required.

Details of your claim / notification, should be send in the first instance to

In respect of Section 1 Buildings, Section 2 Loss of Rent, Section 3 Liability and Section 4 Contents of Communal Areas:

	Touchstone Underwriting Ltd c/o GHG Solutions Limited
	Threefield House
	Threefield Lane
	Southampton
	SO14 3LP
Email:	Touchstone_Claims@ghgsolutions.co.uk
Telephone:	02382 356 596

For claims under Section 5 – Legal Expenses:

A claim can be made online at www.arag.co.uk/newclaims. Alternatively an insured can obtain a claim form by downloading one at www.arag.co.uk/newclaims or by calling ARAG on 0330 303 1955 between 9am and 5pm weekdays (except bank holidays).

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.

For the full claims procedure please refer to Section 5 – Legal Expenses.

Financial Services Compensation Scheme (FSCS)

We are covered by the Financial Services Compensation Scheme. The **insured** may be entitled to compensation from the Scheme if **we** are unable to meet our obligations to the **insured** under this **policy**. If the **insured** were entitled to compensation from 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
(PO Box 300, Mitcheldean, GL17 1DY) and on their website www.fscs.org.uk.

Privacy notice

The **company** will manage personal data in accordance with data protection law and data protection principles. The **company** require personal data in order to provide good-quality insurance and ancillary services and will collect the personal data required to do this. This may be personal information such as name, address, contact details, identification details, financial information and risk details.

The full Data Privacy Notice can be found on our website along with links to the subscribing **insurer** notices

Website pagehttps://t-u-l.co.uk/data-protection/

Employers' Liability Tracing Office (ELTO)

By entering into this insurance **policy** the **insured** will be deemed to specifically consent to the use of their insurance **policy** data in the following way and for the following purposes.

a) Certain information relating to the **insured's** insurance **policy** including, without limitation:

   i) the **policy** number(s);

   ii) employers' names and addresses (including subsidiaries and any relevant changes of name);

   iii) dates of cover;

   iv) employer's reference numbers provided by HM Revenue and Customs; and

   v) Companies House reference numbers (if relevant) will be provided to the Employers' Liability Tracing Office (ELTO) and added to an electronic database (database).

b) This information will be made available by **us** to ELTO in a specified and readily accessible form as required by the Employers' Liability Insurance: Disclosure by Insurers Instrument 2011. This information will have regular periodic updating and certification and will be audited on an annual basis.

c) The database will assist individual consumer claimants who have suffered an employment related injury or disease arising out of their course of employment in the UK for employers carrying on or who carried on business in the UK and who are covered by the employers' liability insurance of their employers (claimants):

   i) to identify which insurer (or insurers) provided employers' liability cover during the relevant periods of employment; and

   ii) to identify the relevant employers' liability insurance policies.

d) The database will be managed by ELTO.

e) The database and the data stored on it may be accessed and used by claimants, their appointed representatives, insurers with potential liability for UK commercial lines employers' liability insurance cover and any other persons or entities permitted by law.

Registration and Regulatory Information

Choice of law and jurisdiction

In the absence of any agreement to the contrary, the laws of England and Wales will apply to this **policy** and subject to Claims Condition 3 – Arbitration any dispute regarding the interpretation of this **policy**, including any claim made pursuant to its terms, will be subject to the exclusive jurisdiction of the courts of England.

Contracts (Rights of Third Parties) Act 1999

A person or company who was not 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 condition does not affect any right or remedy of a third party which exists or is available other than by virtue of this Act and any later amendment to it.

Sanction limitation

This **policy** will not provide any insurance cover or benefit and the **company** will not pay any sum to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that **company** 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.

Tax

There may be circumstances where taxes may be due that are not paid via the **company**. If this occurs then it is the **insured's** responsibility to ensure that these are paid direct to the appropriate authority.

Renewal of this insurance

When this policy is due for renewal, the company will write to the **insured's** insurance agent in good time before the period of insurance ends with full details of the **insured's** next year's premium and policy terms and conditions. If the **insured** does not want to renew the policy, they must contact their insurance agent.

Occasionally, the **company** may not be able to offer to renew the policy. If this happens, the **company** will write to the **insured's** insurance agent at least 14 days before the expiry of their policy to allow enough time for the **insured** to make alternative insurance arrangements.

Titles and headings

Titles and headings are descriptive and are used solely for convenience of reference and will not be deemed to limit or affect the provisions to which they relate in any way.

Several liability notice

An **insurer** is liable only for the proportion 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 **policy**.

Language

The language of this policy and any communication throughout the duration of the **period of insurance** will be English.

General Definitions

A defined word, term or phrase will be shown in bold each time it appears in this **policy**.

Each time one of the following defined words, terms or phrases is used, it will have the same meaning wherever it appears in this **policy** whether expressed in the singular or the plural, male female or neutral, unless an alternative definition is stated to apply.

Each section of this **policy** contains specific defined words terms or phrases which apply only to that particular section and which must be read in conjunction with the following General Definitions.

Asbestos

Asbestos, asbestos fibres or any derivatives of asbestos including any product or material containing asbestos, asbestos fibres or any derivatives of asbestos.

Block of flats

The **building** being a block of flats including any private garages owned and used in connection with the block of flats.

Bodily injury

a) Death, physical injury, illness or disease;

Additionally for Section 3 - Liability also includes:

b) mental injury sustained by any person as a result of actual or threat of injury, death, illness or disease; and

c) false arrest, false imprisonment or detention and false eviction of any person, malicious prosecution or invasion of the right of privacy.

Buildings

Buildings including (unless more specifically insured):

a) landlord's fixtures and fittings;

b) fixed glass;

c) small outside buildings, extensions annexes, gangways;

d) walls, gates, fences, yards, driveways, car-parks, forecourts, roads, footpaths, landscaping, planters, paved terraces, patios, ornamental features, statues;

e) conveyors, trunks, lines, wires, service pipes and other equipment on the **premises**;

f) foundations;

g) security lighting, security cameras and other security or fire protection devices, affixed signs, television aerials, radio aerials, satellite receiving aerials, communication aerials, their fittings and masts affixed to the building, and fixed poles or fixed pylons

h) greenhouses, swimming pools and tennis courts at the **premises**

that is the property of the **insured** or for which the **insured** is responsible.

i) extensions communicating with the buildings

j) fuel tanks and their ancillary equipment, pipework and the like at the Premises

Except as otherwise stated, the **buildings** described in the **schedule** are of **standard construction**.

Business

The business of the **insured** which includes:

a) property owners, lessors and lessees including repair, refurbishment and maintenance of the property; and

b) provision and management for the benefit of any **employee** of canteen, social, sports, welfare, medical facilities, fire, first aid, rescue and ambulance services; and

c) private work undertaken with the prior consent of the **insured** by any **employee** for any director

or partner or executive of the **insured**;

Business does not include any work undertaken **offshore** unless otherwise specified in the **schedule**.

Company, us, we,

Touchstone Underwriting Limited as coverholders for the insurers subscribing to this policy as stated in the **schedule**

Communicable Disease

Any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation 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 **bodily injury** or any other 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 **property insured** hereunder.

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.

Damage

Direct accidental physical loss of or destruction of or damage to the property insured.

Deductible

The first part of each **occurrence** borne by the **insured**, as ascertained after the application of all other **policy** terms and conditions, as specified in the **schedule** (and where applicable, together with the **time deductible** where specified in the **schedule**).

The **sum insured(s)** and the **limit(s)** are exclusive of the **deductible**.

Defined perils

a) Fire, lightning, explosion, aircraft or other aerial devices or articles falling from them;
b) riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons;
c) **earthquake**;
d) **storm**;
e) **flood**;
f) subsidence, ground heave, landslip;
g) escape of water from any tank, apparatus or pipe or of oil from any fixed heating installation used to heat the premises; or
h) impact by any mechanically propelled vehicle or rail rolling stock or animal.
i) Theft or attempted theft
j) Accidental **Damage**

Earthquake

a) earthquake or tsunami and any subsequent **damage** (as defined in **Section 1 – Buildings**) but only if caused directly by earthquake or tsunami; and
b) volcanic eruption meaning the eruption, explosion or effusion of a volcano but excluding **flood**.

Employee Section 5 – Legal Expenses) Any person under a contract of service or apprenticeship with the **insured**.

Empty

Buildings or part of them that for a period of more than 45-days have become unoccupied, untenanted or which have not been actively used.

Endorsement(s)

Any written amendment(s) attaching to and forming part of this **policy**.

Flat

A self-contained unit of residential accommodation forming part of the **block of flats** or part of a commercial **building**.

Flood

The escape of water from its normal, natural or artificial confines (other than tanks apparatus or pipes) or inundation from the sea including tidal wave and tsunami but excluding **storm**.

Fungal pathogens

Any fungus or mycota or any by-product or type of infestation produced by that fungus or mycota, including but not limited to mould, mildew, mycotoxins, spores or any biogenic aerosols.

Insured (s)

The **insured** named in the **schedule**. Additionally, in respect of Section 3 – Liability:

a) legal or personal representatives of the **insured** in respect of legal liability incurred by the **insured**.

And, but only at the request of the insured:

b) i) any director or partner of the **insured**;

ii) any **employee**;

iii) lessors, where the lessors are required in contract to be indemnified in respect of property, plant or equipment leased to the **insured**;

iv) the officers, members, committee and voluntary helpers of the **insured's** canteen and welfare organisations in their respective capacities as such;

v) the officers and members of the **insured's** security, rescue, first aid, fire and ambulance services in their respective capacities as such;

vi) the officers, members, committee, voluntary helpers and guests of the **insured's** sports and social organisations in their respective capacities as such;

vii) any director or partner or executive of the insured, in respect of private work undertaken by any employee for a director, partner or executive of the **insured**;

viii) the officers or members of the **insured's** medical organisation, other than any doctor, surgeon or dentist, while working in a professional capacity.

Provided that such parties observe fulfil and be subject to the terms, conditions and exclusions of this **policy**.

Limit(s) or limit(s) of indemnity

The amount(s) stated in the **schedule**, extension of cover, condition or section of this **policy** being the total amount payable by the **company** in respect of any one **occurrence**, irrespective of the number of claims, but in total in any one **period of insurance**, when shown as such in the **schedule**, extension of cover, condition, endorsement(s) or section of this **policy**.

Occurrence (Not applicable to **Section 3 – Liability**)

One event or series of events consequent upon or attributable to an originating source or cause.

However:

a) an earthquake or series of earthquakes; or
b) a **storm** or series of **storms**; or
c) a **flood** or series of **floods**

occurring during 72 consecutive hours will be deemed one **occurrence**, provided that:

i. no individual loss or losses as regards earthquake, storm or flood, which occurs outside these periods, will be included in that occurrence;

ii. the **insured** has the right to select the moment from which the 72 hour period will be deemed to have started within the terms of this section;

iii. in the event of expiry or cancellation of this **policy**, any such period may not end later than the termination of the **period of insurance**.

Period of insurance

The period stated in the **schedule**.

Policy

a) all terms, conditions, exclusions, extensions comprising this document and the **schedule** all whether general or section specific; and

b) all other **schedules**, notices, appendices, subjectivity notices and other documents agreed by the **company** and the **insured** attaching from time to time; and

c) all **endorsements** for incorporation in this document

all of which must be read together and constitute the contract of insurance between the **insured** and the **company**.

Premises

The premises owned, occupied, leased or rented by the **insured** as stated in the **schedule** and situated within the **territorial limits**.

Pollution

Discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste into or upon land, or any structure on land, the atmosphere or any ground water surface water or coastal waters.

Private dwelling house

A **building** occupied solely as a private residential dwelling, including any private garages owned and used in connection with the private dwelling house.

Property insured

a) **buildings;**

b) tenants stock and possessions to a value of £10,000 in total in any one **period of insurance** lawfully secured in lieu of rent receivable owed to the **insured**;

c) any other item described in the **schedule** which is the property of the **insured** or held by the **insured** for which the **insured** is legally responsible

at the **premises** unless otherwise stated

For the purpose of determining where necessary the item under which any property is insured, the **company** agrees to accept the designation under which such property has been entered in the **insured's** books.

Schedule

The **schedule** of insurance attaching to and forming part of this **policy** together with any renewal **schedule**.

Standard construction

Brick, stone or concrete built and roofed with slates, tiles, metal, concrete or sheets or slabs composed entirely of incombustible mineral ingredients and plastic roof lights.

Sum(s) insured

The amount stated in the **schedule** applicable to a particular item insured being the total amount payable by the **company** for such item insured irrespective of the number of claims.

Storm

Hurricane, typhoon, windstorm, rainstorm, hailstorm, tornado and or cyclone including subsequent **damage** caused by water that backs up from a sewer or drain as a direct result but excluding **flood**.

Terrorism

An act, including but not limited to the 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.

Territorial limits

The **United Kingdom**

Time deductible

The time period stated in the **schedule** immediately following an **occurrence**.

United Kingdom

Great Britain, Northern Ireland and for the purposes of this **policy**, also including the Channel Islands and the Isle of Man.

Uplift

The percentage amount stated in the **schedule** which is applied to the **declared value(s)** as stated in the **schedule**.

Section 1 – Buildings

The following Claims Conditions will apply to all sections of this policy unless stated otherwise;

1) Action by the insured

Things the **insured** must do:

As a condition precedent to cover, the **insured** must comply with the following conditions. If the **insured** fails to do so, the **company** might not pay the **insured's** claim, or any payment could be reduced:

a) The **insured** must notify the **company** as soon as reasonably practicable giving full details of what has happened with respect to any accident or incident that may give rise to a claim.

b) The **insured** must provide **the company** with any other information the **company** may require.

c) The **insured** must forward to the **company** as soon as reasonably practicable any letter, claim, writ, summons or other legal document the **insured** receives if a claim for liability is made against the **insured**.

d) The **insured** must inform the police as soon as reasonably practicable following any loss caused by malicious acts, violent disorder, riots, civil commotion, theft, attempted theft or lost property.

e) The **insured** must not admit liability or offer or agree to settle any claim without the written agreement of the **company**.

f) The **insured** must take, or allow others to take, reasonable steps to prevent further **damage** or **bodily injury**, recover property lost and otherwise minimise the claim.

Legal Expenses only- refer to Section 5 - Claims procedure

2) Assistance and co-operation

The **insured** and any person insured must provide the **insurer** with such information, assistance and co-operation as the **insurer** and/or its representative may request. The i**nsurer** shall be entitled to refuse to pay any Claim under this **policy** in its entirety if the **insured** or any person insured fails to do so.

3) Arbitration

If any dispute between the **insured** and the **company** arises from this policy, the **insured** can make a complaint to the **company** as described under our **'**How to make a complaint' clause under Important Information. The **company** will try and resolve the matter however, if the **company** are unable to satisfy the **insured's** concerns and the matter can be dealt with by the Financial Ombudsman Service, the **insured** can ask them to adjudicate over the complaint.

If a dispute relating to the amount to be paid under this policy (liability being otherwise admitted) cannot be dealt with by the Financial Ombudsman Service, it can be referred to independent arbitration by a qualified person agreed by both parties.

If the **company** and the **insured** fail to agree on a suitable person to arbitrate the matter the **company** will ask the President of the Law Society of England and Wales to nominate.

The arbitration will be subject to the Arbitration Act 1996 and the arbitrator's decision will be binding on both parties.

Whether the **company** or the **insured** bear the costs of the arbitration or these are shared by the **company** and the **insured** will be determined at the discretion of the arbitrator.

4) Discharge of liability (applicable to Section 3 - Liability)

The **company** may at any time pay to the **insured** in connection with any claim or series of claims under this policy to which cover applies the limit of liability (after deduction of any sums already paid) or any lesser amount for which those claims can be settled and upon payment being made, the **company** will relinquish the conduct and control of and be under no further liability in connection with those claims except for the payment of defence costs incurred with the consent of the **company**

before the date of payment (unless the limit of liability is stated to be inclusive of defence costs).

However, if the **company** exercises the above option and the amount required to dispose of any claim or series of claims exceeds the limit of liability and the balance of the amount required to dispose of the claim is insured either in whole or in part with costs and expenses payable in addition to the limit of liability under this policy then the **company** will also contribute their proportion of subsequent costs and expenses incurred with their consent.

5) Entitlement to Defend (applicable to Section 3 – Liability)

The insurer is entitled, but not obliged, to take over and conduct in the name of the insured or any person insured the defence or settlement of any Claim or to prosecute in the name of the insured or any person insured for its own benefit any Claim for reimbursement or damages or otherwise. The insurer shall have full discretion in the conduct of any proceedings and in the settlement of any Claim

6) Deductible

Where stated in the **schedule** the **insured** will be responsible for paying a **deductible** in relation to each claim made by them under this policy.

7) Fraudulent claims

If the **insured** or anyone acting on their behalf makes a fraudulent claim under this policy, including providing fraudulent information or documentation, the **company** may:

a) refuse to pay the claim;

b) seek to recover any costs already incurred by the **company** relating to the fraudulent claim;

c) cancel the policy retrospectively from the date of the fraudulent act and refuse claims in respect of any relevant event occurring after the fraudulent act giving rise to the **company's** policy liability;

and

d) keep any premium paid to the **company**

This will not affect claims made prior to the fraudulent act unless they too were fraudulent.

8) Multiple insureds

a) The **insured** agrees that the insured named in the **schedule**, (if there is more than one **insured** named in the **schedule**, the first of them), is authorised to receive all notices and agree any changes to the policy.

b) Unless specifically requested by the **insured** and agreed by the **company** to the contrary, in the event of a claim being paid by the **company** all payments will be made to the first named **insured** stated in the **schedule**. The noting of any interest, joint insured or composite insured under this policy does not convey any rights to any interested party / joint insured or composite insured to be considered the payee in the event of loss.

c) If more than one **insured** is named in the **schedule** the total liability of the **company** to all of the **insured** parties collectively will not exceed the **sum insured**, including any inner limits set within extensions or by **endorsement(s)** attaching to this **policy or any claims arising from the same originating cause.**

d) Where the **insured** has requested and the **company** have agreed to another party being noted under this **policy** as a joint insured or composite insured:

i) each party is noted for their respective rights and interests as if individual policies had been issued to each such insured party;

ii) the total liability of the **company** to all of the insured parties collectively will not exceed the **sum insured**, including any inner limits set within extensions or by **endorsement(s)** attaching to this **policy** or any claims arising from the same originating cause**.**

iii) this **policy** will not be vitiated or avoided so far as that joint insured or composite insured is concerned, as a result of any innocent misrepresentation, act or neglect of failure to disclose on the part of any insured party or any circumstance beyond an insured party's control provided that such innocent misrepresentation, act, neglect or non-disclosure is reported to the **company** as soon as reasonably practicable upon discovery.

9) Other Insurance

a) Subject to clause (b) below, if the **damage** or liability which is being claimed for under this policy is covered by any other insurance the **company** will not pay more than their proportionate share. If the other insurance is subject to a condition of Average and this policy is not, then this policy will become subject to the same condition of Average. If the other insurance is subject to any provision excluding proportional payment (whether in whole or part) or from contributing rateably, the liability of the **company** will be limited to that proportion of the loss, destruction, **damage** or liability which the **sum insured** under this policy bears to the value of the **property insured**.

b) In respect of any claim made pursuant to **Section 3 (Liability)** of this policy, if, at the time of any event to which this policy applies, there is, or but for the existence of this **policy** there would be, any other insurance covering the same liability, the **company** will not be liable under this **policy**, except for any excess beyond the amount which would be payable under such other insurance, had this policy not been effected.

10) Salvage

The **company** may enter the **premises** where **damage** has occurred and take possession of or require to be delivered to the **company** any **property insured** and deal with it in a reasonable manner (depending upon the type of salvage) but the property may not be abandoned to the **company**.

11) Subrogation and waiver of rights

Any claimant under this **policy** will, at the request and expense of the **company**, take and permit to be taken all necessary steps for enforcing rights against any other party in the name of the **insured** before or after any payment is made by the **company**.

In the event of a claim arising under this **policy**, the **company** agrees to waive any rights, remedies or relief to which they might become entitled by subrogation against:

a) a company standing in the relation of parent to subsidiary (or subsidiary to parent) to the **insured** as defined in the Companies Act or Companies (Northern Ireland) Order as appropriate current at the time of loss or destruction of or damage to property; or

b) any company which is a subsidiary of a parent company of which the **insured** are themselves a subsidiary within the meaning of the Companies Act or Companies (Northern Ireland) Order as appropriate current at the time of loss or destruction of or damage to property.

c) Any tenant or lessee in respect of Damage or Consequential loss to that portion of the Premises in the demise of that tenant or lessee or to those portions of the Premises in which all the tenants have a common interest where the premium has been paid by the tenant or lessee but excluding Damage or Consequential loss arising out of the tenant's or lessee's gross negligence or as a result of the tenant's or lessee's willful act or recklessness

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. Please also refer to the General Definitions section.

Declared value

The **insured's** assessment of the cost of **reinstatement** of the **property insured** at the level of costs applying at the start of the **period of insurance** (ignoring inflationary factors which may operate subsequently) including insofar as the insurance by the item provides due allowance for:

a) the additional cost of reinstatement to comply with public authorities and European Union (including undamaged property) requirements;

b) Professional fees;

c) Removal of debris

all as calculated in accordance with those particular extensions to Section 1 – Buildings.

Reinstatement

a) where **property insured** is destroyed, the rebuilding of the **property insured** if a **building**, or in the case of other **property insured**, its replacement by similar property, in either case in a condition equal to, but not better or more extensive than, its condition when new; and / or

b) where **property insured** is damaged, the repair of the **damage** and the restoration of the damaged portion of the property to a condition substantially the same as, but not better or more extensive than, its condition when new.

Vicinity

Within 1000 meters of the **premises** of the **insured**.

Section 1 – Operative clause

The **company** agrees, subject to the terms, conditions, extensions, exclusions, provisions and **endorsements** contained in this **policy**, that in the event of **damage** during the **period of insurance**, the **company** will indemnify the **insured** for **damage** to **property insured** or at the **company's** option reinstate or replace such **property insured** in whole or in part.

Provided that the liability of the company under this section will not exceed the sum insured(s) stated in the schedule, and any other limit(s) stated where any are applicable.

Section 1 – Basis of claims settlement

1) Reinstatement

In the event of **damage** to **buildings**, the basis upon which the amount payable is to be calculated will be the cost of **reinstatement**:

Provided that:

a) no payment beyond the amount which would have been payable had this clause not been operative will be made:

i) unless the work of **reinstatement** is begun and carried out with reasonable despatch;

ii) until the costs of **reinstatement** have been incurred;

iii) unless any other insurance covering the insured's interest in the property at the time of the damage is upon the same basis of reinstatement as this **policy**

and if pursuant to this provision no such payment is made, then the rights and liabilities of the **company** and the **insured** under this **policy** in respect of the **damage** will be those which would have been applied had this clause not been operative.

b) **reinstatement** may be carried out at another site and in any manner suitable to the **insured**, subject to the liability of the **company** not being increased as a result.

c) in the event of partial **damage** to any **property insured** under this Reinstatement clause, the **company's** liability will not exceed the amount which would have been payable had the **property insured** been totally destroyed.

2) Reinstatement conditions

If any **property insured** is to be reinstated or replaced by the **company**, the **insured** must at the expense of the **insured** provide all such plans, documents, books and information as may reasonably be required.

The **company** will not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and will not in any case be bound to expend in respect of any one of the items insured more than its **sum insured**.

3) Day one reinstatement

If a **declared value** is stated for any item in the **schedule**, then the liability of the **company** will not exceed the **sum insured** calculated by applying the **uplift** to the **declared value** as stated in the **schedule.** The **insured** having stated in writing the **declared value** of each item in the **schedule,** the premium has been calculated accordingly.

At the start of each **period of insurance**, the **insured** must notify the **company** of the **declared value** of each of the items and in the absence of such declaration, the last amount declared by the **insured** will be taken as the **declared value** for the ensuing **period of insurance**.

Where because of Reinstatement clause 1) a) above no payment is to be made beyond the amount which would have been payable had that clause not been operative, the liability of the **company** will be limited to 100% of the **declared value** shown in the **schedule**.

Section 1 – Extensions

Unless otherwise stated in the **schedule** or by endorsement, the following extensions to this section will apply subject always to the terms, conditions, exclusions, and provisions of this policy, and provided that the liability of the **company** under each extension does not exceed the sum insured(s) and limits stated in the **schedule** and any other limit(s) where any are applicable:

1) 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**.

2) Additional cost of management fees

The insurance by this section is extended to include the costs of managing agent's fees necessarily and reasonably incurred by the **insured** with the consent of the **company** in respect of the management and supervision of rebuilding or repair as a result of **damage**.

Provided that:

a) the costs relate solely to any additional work which would not have been necessary had the **damage** not occurred;

b) the liability of the **company** will not exceed £25,000 any one **occurrence** and in total for all losses occurring during any one **period of insurance**;

c) this extension will not apply in respect of any additional cost for a rebuilding contract with a value of less than £100,000.

3) Alternative residential accommodation

If in the event of **damage** the residential portions of the **property insured** are unfit to live in or access is denied, the **company** will pay insofar as such loss is not otherwise insured:

a) the costs of reasonable alternative accommodation and temporary storage of residents furniture; or

b) rent (including ground rent and management charges) that the **insured** should pay or the **insured** should have received but have lost as a result of the damage;

c) the cost of reasonable accommodation in kennels or catteries for residents dogs and cats.

Provided that the liability of the **company** will not exceed 35% of the **buildings declared value** of the **property insured** which suffered the **damage,** such sum to be in addition to the sums insured.

4) Automatic cover from exchange

If at the time of **damage,** the **insured** has contracted to purchase any **building** and the purchase has not been completed but is thereafter, the location of such **building** will be deemed to be a **premises** under this section until completion, but only in circumstances where either:

a) the **insured's** interest in any such building is not covered by any other insurance; or

b) the **insured's** interest is covered by any other insurance

Provided that:

i) under a) above the **sum insured** will not exceed the reinstatement value of the property until such time as it is added in accordance with Proviso iii) below; or

ii) cover under b) above will be the difference between any other insurance and this **policy** where that other insurance on such **building** is more restrictive in cover or **sum insured**;

iii) the total liability of the company under this extension will not exceed £1,000,000; and

iv) the **insured** undertakes, as soon as reasonably practicable and in any event within 90 days, to give particulars of such acquisition to the **company** and to effect specific insurance under this section retrospectively from the date of exchange of contracts.

5) 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

6) 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**.

7) Contracting purchaser's interest

In the event of **damage** following the **insured** having contracted to sell its interest in any **building** but the purchase has not yet completed, the contracting purchaser who completes the purchase will have the benefit of the insurance by this section up to the date and time of completion if and insofar as the **building** is not otherwise insured and without prejudice to the rights and liabilities of the **insured** or **company**.

8) Contract works

Notwithstanding Excluded Property 12) g), the insurance by this section extends to include contract works to the extent to which the **insured** has contracted to arrange cover.

Provided that:

a) the liability of the **company** will not exceed £250,000 any one **occurrence**; and

b) the insurance by this extension will not apply if the contact works are more specifically insured under another **policy**.

9) Contractor's Interest

Where the Insured is required to effect insurance on the Property Insured in the joint names of the Insured and the contractor under the terms of a contract condition, then the interest of the contractor in the Property Insured as a joint insured is noted. However:

a) The Insured must provide the Insurer with details of any single contract valued in excess of £100,000 prior to work starting and pay any additional premium that may be required by the Insurer;

b) In the event of a claim being paid by the Insurer all payments will be made to the first named Insured stated in the Schedule. The noting of a contractor's interest does not convey any rights to that contractor to be considered the payee in the event of loss;

c) Where there is more than one party to this contract of insurance each party is noted for their respective rights and interests;

d) This Policy will not be vitiated or avoided so far as the joint insured is concerned, as a result of any innocent misrepresentation, act or neglect of failure to disclose on the part of any insured party or any circumstance beyond an insured party's control provided that such misrepresentation or disclosure is reported to the Insurer as soon as reasonably practicable upon discovery;

e) The total liability of the Insurer to all of the insured parties collectively will not exceed the sums insured and limits of liability including any inner limits set by memorandum or endorsement stated in this Policy.

10) 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 £35,000 any one occurrence

11) 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**.

12) 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) £10,000 any one occurrence in respect of the provision of security guards; and
ii) £25,000 any one occurrence and in total for all losses occurring during any one **period of insurance**.

13) European Union and public authorities (including undamaged property)

The insurance by each item of the **schedule** on **buildings** includes the additional cost of reinstating such **property insured** that suffers **damage** incurred solely because of the necessity to comply with:

a) European Union legislation; and

b) Buildings or other regulations under or framed in pursuance of any Act of Parliament or with bye- laws of any public authority.

Subject to the provisions set out below and excluding:

i) the cost incurred in complying with any such legislation, regulations or bye-laws under which notice has been served upon the **insured** prior to the happening of any **damage**; and / or

ii) the additional cost that would have been required to make good such **property insured** damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of such legislation, regulations or bye-laws not arisen; and / or

iii) the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of such **property insured** or by the owner of such **property insured** because of compliance with any of such legislation regulations or bye-laws.

Provisions:

a. The work of reinstatement must be commenced and carried out with reasonable despatch and may be carried out upon another site (if such legislation, regulations or bye-laws so necessitate), subject to the liability of the **company** not being increased as a result.

b. If the liability of the **company** under any item of this **policy**, apart from this extension, is reduced by the application of any of the terms and conditions of this **policy**, then the liability of the **company** under this extension in respect of the item will be reduced in like proportion.

c. This extension includes the additional cost of reinstatement in respect of undamaged portions of such **property insured**, provided that the **company** will not be liable for such additional cost in respect of any **building** which has not sustained **damage**.

d. The amount recoverable will not exceed:

   i) in respect of undamaged portions of such **property insured**, other than foundations, 25% of the total amount for which the **company** would have been liable had such **property insured** been totally destroyed; or

   ii) in respect of any item, its **sum insured** or any lower **limit** stated in the **schedule**.

14) 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**.

15) Expediting costs and temporary repairs

The insurance provided by this section is extended up to the limited of £50,000 to include the costs of:

a) making temporary repairs to; and

b) expediting the repair, reinstatement or replacement of

property insured subsequent to **damage** necessarily and reasonably incurred by the **insured** with the consent of the **company**.

16) Explosion of steam pressure plant

Notwithstanding exclusion 10 of this section, 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**.

17) 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

18) 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**.

19) 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**.

20) 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.

The **company** will also pay the reasonable costs incurred by the **insured** in establishing whether or not other **buildings** in the **vicinity** have suffered **damage** during the same **occurrence**.

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

21) Illegal cultivation of drugs

The insurance by this section is extended to include **damage** arising from the **insured's** tenants use of the **premises** for the manufacture, cultivation, harvest or processing by any other method of drugs classed as controlled substances under the Misuse of Drugs Act 1971.

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

   ii) £50,000 in total for all losses occurring during any one **period of insurance**.

22) 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**.

23) Interests other than contractors and sub-contractors

The insurance provided by this section extends to include the interests of other parties, not being contractors or sub-contractors, in respect of **property insured** and the **insured** undertakes if required to declare the names of such parties and the nature and extent of their interests at the time of any **damage**.

24) Involuntary bailee

The insurance by this section extends to include **damage**, not otherwise excluded by this **policy**, to bailors' goods in the care custody or control of the **insured** solely as a result of repossession and for which they are responsible.

Provided that, as a condition precedent to cover;

a) a signed inventory is issued to the tenant as soon as the repossession takes place; and

b) new locks are fitted to the **premises** and a recorded weekly inspection is made to ensure adequate security remains in place;

and that:

a) no claim will be paid in respect of theft or attempt thereat in respect of items comprising gold, silver, other precious and non-ferrous metals, bullion, precious stones, furs, curiosities, works of art, rare books, audio visual goods, computer equipment (including mobile devices), cameras, jewellery, money, cheques, stamps, bonds, credit cards, securities of any description, wine and spirits; and

b) no claim will be paid in respect of unaccountable losses; and

c) the liability of the **company** will not exceed £10,000 any one **occurrence** and £25,000 in total for all losses occurring during any one **period of insurance**.

25) 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**.

26) 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) Regulations1991 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**.

27) 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.

28) 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:

   a. the total amount recoverable under any item of this **policy** will not exceed its **sum insured**; and

   b. all the terms and conditions of this **policy**, except in so far as they are varied, will apply.

29) 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

30) Metered charges

The insurance provided by this section extends to include the additional metered water, gas and electricity charges for which the **insured** is responsible which are demanded by the relevant supply undertaking to pay in consequence of **damage**.

Provided that:

a) the liability of the **company** will not exceed £25,000 any one **occurrence**; and

b) within 30 days of the damage being discovered by the insured repairs are completed.

31) Obsolete materials

The insurance provided by this section is extended to include the reasonable additional costs incurred in replacement of damaged **property insured** which, given consideration to the scientific and technical knowledge at the time of installation, construction or fitting, were reasonably deemed to be fit for the purpose intended but require replacement with more suitable modern materials following **damage**.

Provided that:

a) the **property insured** will not be regarded as being better or more extensive than when new; and

b) the liability of the **company** does not exceed 10% of the **declared value** of such **property insured** in respect of such additional costs.

32) 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.

33) Personal possessions

The insurance provided by this section is extended to include up to £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.

34) Privity of contract

The insurance provided by this section is extended to include all sums the **insured** will become legally liable to pay and will pay as the **insured** to indemnify any tenant in respect of the repair or **reinstatement** of **premises** previously owned but which are no longer the property of the **insured** and where the current owner due to a breach of their obligations under a lease has failed to maintain adequate insurance cover to repair or reinstate **damage** to the **buildings**.

Provided that:

a) the insurance provided by this extension will not contribute in respect of any more particular insurance effected by the new owner tenants or sub-tenants;

b) the **insured** must take all reasonable and appropriate steps to obtain release from their liabilities under the covenants to insure such property on its disposal including where necessary applying to the courts for a release;

c) any claim must first be made in writing to the **insured** during the **period of insurance** and notified to the **company** during or within 30 days after expiry of the same **period of insurance**;

d) the liability of the **company** will not exceed £2,000,000 any one **occurrence** and in total for all losses occurring during any one **period of insurance**.

35) Professional fees

The insurance by each item of the **schedule** on **buildings** includes an amount in respect of architects', surveyors', engineers' and consultants' legal fees necessarily incurred in the reinstatement of such **property insured** that suffers **damage** but not for preparing any claim and not exceeding the **sum insured** for such item or any lower **limit** stated in the **schedule**.

If there is a **limit** specified in the **schedule** in respect of professional fees, the **insured** need not allow for the costs covered by this extension when arriving at the **declared value**.

36) Reduction in freehold or leasehold value following alteration in planning consent

If following **damage** to any **building** the existing area of the **building** and land is restricted as a result of necessity to comply with building or other regulations under or in pursuance of any Act of Parliament or with bye-laws of any Municipal or Local Authority, the **company** will pay to the **insured** the reduction in freehold or leasehold value arising solely because of compliance with the contingency,

Provided that the reduction in freehold or leasehold value is the amount by which:

a) the sum which, but for the **damage,** would have been realised by the sale of the **insured's** freehold or leasehold interest in the **property insured** immediately prior to the **occurrence** of the **damage;**

exceeds

b) the sum which would have been realised by the sale of the **insured's** freehold or leasehold interest either:

i) immediately following completion of rebuilding, repairs or restoration; or

ii) if the Local Authority withholds its permission for such work to be carried out, at the time when the Local Authority communicates its decision to the **insured.**

No sum will be payable under this extension until and unless the **insured** has made all reasonable endeavours to regain or reinstate the original planning consent.

Any amount payable will be substantiated by the **insured** and agreed with the **company** and due allowance will be taken of all other sums recovered in respect of **damage** under this insurance or from any other source.

Provided that the liability of the **company** does not exceed £1,000,000 any one **premises** (in addition to the agreed **sum insured** for the **premises**).

37) Reinstatement to match

The cost of rebuilding extends to include the cost of replacement, repair or modification of undamaged parts of **buildings** that form part of a suite, common design or function, where the **damage** is restricted to a clearly identifiable area or to a specific part.

Provided that the liability of the **company** will not exceed 10% of the **buildings declared value** any one occurrence or the amount that would have been payable for replacement, repair or modification of the whole property forming a suite, common design or function, if such property had been wholly destroyed, whichever is the less.

38) Removal of debris

The insurance by each item of the **schedule** on **buildings** includes costs and expenses necessarily incurred by the **insured** with the consent of the **company** in:

a) removing debris including sorting, segregating and transportation of recyclable debris to recycling facilities; and

b) dismantling, demolishing, shoring up, boarding up or propping following **damage** to such **buildings**.

The **company** will not pay for any costs or expenses:

i) incurred in removing debris except from the site of such **property insured** that suffers damage and the area immediately adjacent to such site;

ii) arising from pollution (including but not limited to **pollution**) or contamination of property not insured by this section.

If there is a **limit** specified in the **schedule** for removal of debris, the **insured** need not allow for the costs covered by this extension when arriving at the **declared value**.

39) Removal of debris tenants contents

The insurance provided by this section is extended to include costs and expenses (insofar as they are not otherwise insured) necessarily and reasonably incurred by the **insured** with the consent of the **company** in removing from the **property insured** the debris of contents which are not the property of the **insured** as a result of **damage** hereby insured against, provided that the **company** will not pay for any costs or expenses:

a) incurred in removing debris except from the site of such property which has suffered **damage** and the area immediately adjacent to such site; or

b) arising from pollution (including but not limited to **pollution**) or contamination of property not insured by this section; or

c) which are recoverable from a third party.

Provided that the liability of the **company** will not exceed £10,000 any one occurrence and £50,000 in total in any one **period of insurance**

40) Removal of nests

The insurance provided by this section is extended to include the cost of removing wasps, bees, hornets or vermin nests from the **property insured**.

Provided that the liability of the **company** does not exceed £2,500 any one **occurrence**.

41) 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**

42) Replacement of locks

The insurance provided by this section is extended to cover costs incurred as a result of the necessary replacement of locks or resetting digital locks at the **premises** to a standard equal to but not better than their original standard, following the loss of keys by loss or theft from the **premises** or from the homes of directors, partners or authorised **employees** of the **insured** or by the unauthorised duplication of such keys.

Provided that the liability of the **company** will not exceed:

a) £10,000 any one **occurrence**; and

b) £25,000 in total for all losses occurring during any one **period of insurance**.

43) Services

The insurance provided by this section extends to include **damage** to telephone, gas, water and electricity meters, piping cabling and the like and their accessories at the **premises** including similar property in adjoining yards or roadways or underground, the property of the **insured** or for which they are responsible and liable.

44) Sprinkler upgrade costs

The insurance provided by this section extends to include the costs incurred in upgrading an automatic sprinkler installation to the standard required by the current **Loss Prevention Council** (LPC) Rules for Automatic Sprinkler Systems, solely as required by the **company**, following **damage**, to the **property insured** provided that at the time of the **damage**, the sprinkler installation conformed to:

a) the 28th or 29th Edition rules; or

b) the LPC Rules which applied at the time of the installation but did not conform to subsequent amendments to those rules.

Provided that the liability of the **company** in respect of any one claim will not exceed:

a) 20% of the Sum Insured on the item including such sprinkler installation or the Sum Insured at each separate premises; or

b) the Total Sums Insured or any other limit of liability in this Section whichever is the less at the time of any **damage** in any one **period of insurance**

45) Temporary removal

The insurance by this section is extended to include temporary removal, including transit of:

a) **property insured** by this section for cleaning, renovation or repair; or

b) deeds, documents and plans to any **building**

within the **territorial limits**.

Provided that the liability of the **company** does not exceed £50,000 or 10% of the **sum insured**, whichever is the less.

46) Tenant's improvements and betterments (undamaged)

For the purposes of this extension, tenant's improvements and betterments will mean fixtures, alterations, installations or additions to **buildings** not occupied but owned by the **insured** made at the expense of the tenant and which cannot be legally removed, but not including retaining walls, foundations or supports below the surface of the lowest floor or basement, mezzanine floors, roof terraces, outdoor trees, shrubs, plants or lawns.

The insurance provided by this extension includes the value of undamaged tenants improvements and betterments when the insured lease is cancelled:

a) by the lessor; and

b) pursuant to a valid condition of the **insured's** lease

in consequence of **damage** to **buildings** or tenants' improvements and betterments.
Provided that the liability of the **company** will not exceed:

i) £10,000 any one **occurrence**; and

ii) £25,000 in total for all losses occurring during any one **period of insurance**

47) 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 £20,000 any one claim and in total in any one **period of insurance.**

48) Environmental Protection

Where following **damage** the **insured** elects and the **company** consents to rebuild or repair using the latest available materials and methods in a manner that aims to limit potential harm to the environment by improving energy efficiency, the basis of claims settlement in respect of **buildings** extends to include the reasonable additional costs incurred and such **buildings** shall not thereafter be regarded as being better or more extensive than when new provided that:

a) the **company's** liability in respect of such additional costs and in respect of any one **occurrence** in any one **period of insurance** is limited to 10% of the **buildings' sum insured** at each separate premises or £25,000 whichever is the less

b) if the liability of the **company** under this section, apart from under this extension, is reduced by the application of any of the terms and conditions of this section, then the **company's** liability under this extension shall be reduced in like proportion

c) the **company** will not be liable for such costs

   i) covered or otherwise excluded by the European Union and public authorities (including undamaged property) extension

   ii) in respect of work involving such rebuilding or repair that was already planned by the **insured** prior to the damage

   iii) relating to undamaged portions of the buildings

d) the **company** will not be liable for the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the **buildings** or by the owner thereof by reason of the works funded by this extension.

49) Exhibitions and Models

Cover for **buildings** extends to include exhibition or display models and similar promotional equipment whilst being used or stored within any **premises** insured which have suffered **damage** provided that

a) such equipment is the property of the **insured** or the i**nsured** has accepted responsibility for the equipment at the time of **damage**

b) the maximum liability of the company any one **occurrence** and in the aggregate any one period of insurance shall not exceed £25,000

c) no other more specific insurance has been arranged.

50) Theft damage to buildings

The insurance provided by this section is extended to include **damage** to **buildings** for which the **insured** is liable (not otherwise insured by this **policy**) caused by theft or attempted theft.

51) Trace and access

In the event of **damage** resulting from or expected to result from escape of water from any fixed water services or heating installation or escape of fuel oil as covered by this **policy**, the **company** will pay the costs necessarily and reasonably incurred in locating the source of such resulting or expected **damage** and subsequently making good **damage** caused in consequence of locating such source.

Provided that the liability of the **company** does not exceed £50,000 any one **occurrence**.

52) 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

   ii) any costs incurred solely to comply with a tree preservation order; or

iii) any costs incurred in respect of routine tree maintenance.

b) the liability of the **company** will not exceed:

i) £1,000 any one **occurrence**; and

ii) £5,000 in total for all losses occurring during any one **period of insurance**.

53) Unauthorised use of electricity gas or water

The insurance provided by this section is extended up to the limit of £25,000 to include the cost of gas, electricity and metered water for which the **insured** are legally responsible arising from its unauthorised use by persons taking possession, keeping possession or occupying the **property insured** without the **insured's** authority.

Provided that the **insured** will take all practical steps to terminate such unauthorised use as soon as it is discovered.

54) Undamaged portions

The insurance provided by this section is extended to include the additional cost of reinstatement of undamaged portions of the **buildings** which has in part sustained **damage**.

Provided that:

a) the **company** will not pay for such additional cost in respect of any **buildings** which have not sustained **damage**;

b) the liability of the **company** will not exceed, in respect of undamaged portions of **buildings** (other than foundations), more than 20% of the **declared value** for the premises;

c) the work of reinstatement must be commenced and carried out without unreasonable delay or within such time as the **company** may permit in writing and may be carried out wholly or partially upon another site (if required by law);

d) in no event will the **company** pay more than the applicable **sum insured** or **limit** in the **schedule** for such **buildings**.

55) Unexpected archaeological discoveries

The insurance by this section is extended to indemnify the **insured** for additional costs reasonably and necessarily incurred in rebuilding the **buildings** (or of restoring the damaged parts) by the **insured** as a direct result of their compliance with their statutory obligations following the discovery of archaeological finds during site excavation.

The insurance provided by this extension will include additional interest payments incurred as a result of the delay of any building works.

Provided that:

a) the **company** will not be liable under this extension where the **insured** has pre-existing knowledge of the presence of archaeological remains prior to any works being undertaken;

b) the **insured** will, prior to any payment being made by the **company**, take or permit to be taken on their behalf by the **company**, necessary and reasonable steps to minimise the loss including the consideration of and submission of alternative planning applications as agreed by the **company**;

c) the assessment of loss in respect of the cost of interest payments will be at a rate of not more than 2% above the Bank of England Base rate applying at the time of **damage**; and

d) the liability of the **company** will not exceed £50,000 any one **occurrence** and in total for all losses occurring during any one **period of insurance**.

56) Value Added Tax

The insurance provided for each **building** or **buildings** listed on the **schedule** includes Value Added Tax paid by the **insured** which is not subsequently recoverable.

Provided that:

a) the **insured's** liability for such tax arises solely as a result of the reinstatement or repair of the **buildings** to which such items relate following **damage**;

the **company** has paid or has agreed to pay for such **damage**;

b) if any payment made by the **company** in respect of the reinstatement or repair of such **damage** will be less than the actual cost of the reinstatement or repair, any payment under this extension resulting from that **damage** will be reduced in like proportion;

c) the **insured's** liability for such tax does not arise from the replacement building having greater floor area than or being better or more extensive than the destroyed or damaged **building**;

d) where an option to reinstate on another site is exercised, the **company**'s liability under this extension will not exceed the amount of tax that would have been payable had the **building** been rebuilt on its original site;

e) the **company**'s liability under this extension will not include amounts payable by the **insured** as penalties or interest for non-payment or late-payment of tax;

f) the **insured** has taken all reasonable precautions to ensure that the declared value and sums insured account adequately for Value Added Tax liability at the start of this **policy** and at each subsequent renewal date.

Furthermore for the purposes of this extension:

i) any application of Average will be calculated exclusive of Value Added Tax; and

ii) the liability of the **company** may exceed the **sum insured** by an item or in the whole the **total sum insured** where such excess is solely in respect of Value Added Tax.

57) Waiver of average

In the event of **damage**, the **company** agrees to waive **Section 1 – Buildings**, **Obligations of the company - 4) Average/underinsurance** of this **policy**.

Provided that:

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 Cost Information Service of the Royal Institution of Chartered Surveyors or such alternative index as may be agreed by Us in writing

d) 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.

Conditions

Included here are the conditions of the insurance under this section that the **insured** needs to meet as their part of this **policy**. If the **insured** does not meet these conditions, the **company** will be entitled to reject a claim or a claim payment could be reduced.

1) Change of occupancy

The **insured** must advise the **company** as soon as reasonably practicable if:

a) any **building** or part of it at the **premises** becomes **empty** or dis-used ;or
b) any **building** becomes **empty** or disused**,** or any **building** becomes occupied.

2) Flat Felt Roof Condition

If any Building has a felt roof where the mineral felt surface has not been replaced for 10 years, then this roof must be inspected once every twelve (12) months prior to the month of October by a roofing contractor who is a member of the National Federation of Roofing Contractors or similar professional association. Evidence of such inspection and any resulting completed remedial work shall be provided to the **Company** if requested.

Obligations of the company

1) Automatic reinstatement

The **sums insured** stated in the **schedule** will not be reduced by the amount of any claim unless the **company** or **insured** give notice to the contrary.

2) Mortgagee and other interests

The interest of the leaseholder(s), mortgagee(s) and tenant(s) in the individual portions of the **property insured** in this insurance will not be prejudiced by any act or neglect of the mortgagor or occupier of any **building** insured where the risk of **damage** is increased without the authority or knowledge of the mortgagee, provided that the mortgagee, immediately on becoming aware of any act or neglect, must give notice to the **company** and pay an additional premium if required.

3) Non-Invalidation

The insurance provided by this section will not be invalidated by any act or omission or by any alteration where the risk of **damage** is increased, unknown to or beyond the control of the **insured**, provided that as soon as reasonably practicable upon the **insured** becoming aware of any act or omission, the **insured** gives notice to the **company** and pays an additional premium if required.

4) Average / underinsurance

If at the time of any loss the **sum insured** specified in the **schedule** is less than 85% of the value of the **property insured** the **company** will bear only that proportion of the loss which the **sum insured** bears to the **property insured**.

5) Payments on account

In the event of **damage**, the **company** will make monthly payments on account if the **insured** so requests.

6) Subrogation waiver

In the event of a claim arising under this section, the **company** agrees to waive any rights, remedies or relief to which the **company** may be entitled by subrogation against any company:

a) whose relationship to the **insured** is either a parent to subsidiary or subsidiary to parent; or
b) which is a subsidiary of a parent company of which the **insured** are a subsidiary as defined within the relevant legislation current at the time of **damage**; or
c) any tenant of the **insured**
d) any managing agent of the **insured**

Provided that:

i) the tenant or lessee contributes to the cost of insuring the **property insured** against the event which caused the **damage**;
ii) the **damage** did not result from a breach of the terms of the lease by the tenant or lessee;
iii) the **damage** did not result from a criminal, fraudulent or malicious act of the tenant or lessee.

Section 1 – Exclusions

This section does not cover:

1) Gradually operating causes and other risks

Damage and or indirectly caused by or consisting of:

a) gradual deterioration, frost, wear and tear;

b) inherent vice, latent defect or the **property insured's** own faulty or defective design or materials;

c) change in water table level except in respect of subsidence, ground heave or landslip;

d) faulty or defective workmanship, operational error or omission on the part of the **insured** or any of the **insured's employees**;

e) the correction of defects in design or any associated costs and expenses;

f) collapse or cracking of **buildings** or structures unless resulting from a **defined peril** and not otherwise excluded;

g) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds;

h) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects;

i) change in temperature, colour, flavour, texture or finish;

but this exclusion will not apply to;

i) such **damage** not otherwise excluded which itself results from a **defined peril**; or

ii) subsequent **damage** which itself results from a cause not otherwise excluded.

2) Pollution and contamination

Damage caused by pollution (including but not limited to **pollution**) or contamination but this will not exclude **damage** to **property insured** not otherwise excluded caused by:

a) pollution (including but not limited to **pollution**) or contamination which itself results from a **defined peril**; or

b) a **defined peril** which itself results from pollution (including but not limited to **pollution**) or contamination.

3) Fraud or disappearance

Damage caused by or consisting of:

a) acts of fraud or dishonesty by the **insured** or by any director, partner or **employee** of the **insured;**

b) disappearance or unexplained loss of inventory, shortage, misfiling or misplacing of information or shortages due to error or omission;

c) the voluntary parting with title or possession of any **property insured** if induced by any fraudulent scheme, trick, device or false pretence.

d) theft or attempted theft caused by or in conjunction with the **insured** or any of the **insured's** partners, directors, employed persons, member of the **insured's** family or any other person lawfully at the premises.

4) Property in the open

Damage in respect of:

a) moveable property in the open, fences and gates; or

b) open-sided **buildings** or **property insured** within

caused by wind, rain, hail, sleet, snow, sand, dust, flood or freezing other than in respect of the items covered by the extension of cover to the **Section 1- Buildings - Temporary removal.**

5) Processes

Damage caused by or consisting of:

a) fire resulting from the **property insured** undergoing any heating process or any process involving the application of heat; or

b) (other than by fire or explosion) resulting from the **property insured** undergoing any process of production, packing, treatment, testing, commissioning, servicing or repair.

6) Consequential loss

a) Consequential loss of any kind or description except as provided under **Extension 3 - , Alternative residential accommodation** if insured by this section; or

b) fines, liquidated damages, penalties for delay or detention or in connection with guarantees of performance or efficiency or loss of use or any other form of consequential loss not specifically provided for.

7) Marine impact

Damage caused by or arising from impact to any **property insured** by any waterborne vessel or craft.

8) Settlement

Damage:

a) caused by or consisting of the bedding down of new structures or by the settlement or movement of made-up ground or by coastal or river erosion;

b) caused by subsidence, ground heave or landslip which commenced prior to the inception of this cover;

c) caused by or consisting of subsidence, ground heave or landslip to roads, driveways, yards, footpaths, car-parks or forecourts unless **damage** is caused to the **buildings** (where **buildings** will have the same definition as provided for in this section), except that, for the purposes of this **exclusion** only, it will not include sub-paragraphs d), e), f), g) and h) of that definition) by the same cause and at the same time.

9) Deductible

The amount of any **deductible** stated in the **schedule**.

10) Boiler explosion

Damage caused by or consisting of the bursting of a boiler, economiser vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the insured, other than a boiler used for domestic purposes only, but this will not exclude subsequent damage which itself results from a cause not otherwise excluded.

11) Machinery or electrical breakdown

Damage caused by or consisting of:

a) 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; or

b) mechanical or electrical breakdown or derangement of the particular machine, apparatus or equipment in which such breakdown or derangement originates

but this will not exclude:

i) such **damage** not otherwise excluded which itself results from a **defined peril**

ii) subsequent **damage** which itself results from a cause not otherwise excluded.

12) Excluded property

Damage to:

a) vehicles licensed for road use, (including accessories thereon) caravans, trailers, railway locomotives, rolling stock, watercraft, aircraft or spacecraft;

b) land, (including water in or on land), railway lines, dams, reservoirs, piers, jetties, wharves, docks, canals, rigs, wells, pipelines, bridges, culverts, tunnels, excavations, mining property underground or off-shore property unless specifically insured elsewhere;

c) livestock including but not limited to horses, cattle, sheep, pigs, poultry and eggs;

d) growing crops, trees or plants, other than cover provided under extension of cover to **Section 1** - **Buildings** – **Landscaping**;

e) above ground transmission and distribution lines and their supporting structures, other than such property within 250 metres of any of the premises;

f) money, cheques, stamps, bonds, credit cards or securities of any description;

g) property or structures in the course of construction or erection and materials or supplies in connection with all such property in the course of construction or erection, other than cover provided under extension of cover to **Section 1** – **Buildings - Contract Works**;

h) property in transit, other than the cover provided under the following extension of cover to **Section 1 - Buildings** - **Temporary Removal**, provided that the **damage** is not caused by or happening through defective or inadequate packing;

i) a public highway, unless the property of the **insured** or for which the **insured** is responsible.

j) jewellery, precious stones, gold and silver articles, precious metals, bullion, watches, furs, curiosities, works of art or rare books, explosives or non-ferrous metals, other than such **damage** caused by a **defined peril** insofar as it is not otherwise excluded.

k) property which at the time of the happening of the **damage** is insured by or would but for the existence of this **policy**, be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this **policy** not been effected.

l) any property more specifically insured by or on behalf of the **insured**.

Section 1 – Buildings – Engineering Machinery Damage Extension

Definitions

Breakdown
a. the actual breaking, distortion or burning out of any part of the Property Insured while in use arising from mechanical or electrical defects in the Property Insured causing sudden stoppage
b. fracturing of any item of the Property Insured by frost

which necessitates repair or replacement before it can resume normal working.

Collapse
The sudden and dangerous distortion (whether or not attended by rupture) of any part of the Pressure Plant caused by crushing stress, by force of steam or other fluid pressure (other than pressure of chemical action or ignition of the contents or of ignited flue gases).

Explosion
The sudden and violent rending of the Pressure Plant by force of internal fluid pressure (other than pressure of chemical action or ignition of the contents or of ignited flue gases) causing bodily displacement of any part of the Pressure Plant together with forcible ejectment of the contents.

Pressure Plant
a. boiler plant
b. plant subject to internal steam pressure
c. plant used to contain fluids under pressure or vacuum forming part of the Property Insured.

Property Insured
All plant and machinery (or as more specifically described in the Schedule) owned by or leased to the Insured at the Premises and ready for use in connection with the Business excluding:
a. foundations, masonry, brickwork, chimneys or refractory linings
b. anything sold, supplied, serviced, manufactured or stored in the course of the trade or Business of the Insured
c. materials being processed by or contained in the Property Insured
d. Property that is prototype, experimental or untried
e. Production or Process equipment, its controls (including computerised controls) nor any items of power supply equipment dedicated thereto
f. plant, machinery, pipes, or cables situated underground
g. office machinery, computers or other electronic data processing equipment.

Other Property
Property belonging to the Insured or for which they are responsible but not Property Insured or anything sold, supplied, processed, serviced or manufactured or stored in the course of the trade or Business of the Insured.

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

Cover

Cover One – Sudden and Unforeseen Damage
The Insurer will indemnify the Insured for sudden and unforeseen damage (including Breakdown, Explosion and Collapse as defined) to the Property Insured occurring during the Period of Insurance at any Premises specified in the Schedule within the Territorial Limits.

Cover Two – Own Surrounding Property (Pressure Plant)
The Insurer will indemnify the Insured for loss, destruction or damage to property belonging to or held by the Insured in their care, custody or control directly consequent upon and solely due to damage to Pressure Plant insured by Cover One.

Limit of Liability

The most the Insurer will pay for any one accident or series of accidents arising from one occurrence of loss, destruction or damage is:

a. **Cover One**
   The Limit of Liability shown in the Schedule
b. **Cover Two**
   The Limit of Liability shown in the Schedule

Irrespective of the number of insured parties, the total liability of the Insurer to all of the insured parties collectively in respect of the insurance provided by this Section shall not exceed the Limit of Liability or in respect of any item its Sum Insured or any other stated Limit of Liability.

Any payment or payments by the Insurer to any one or more insured party shall reduce to the extent of that payment the liability of the Insurer to all parties arising from any one event giving rise to a claim under this Section.

Basis of Settlement Adjustments

Subject to the terms, conditions, exclusions and limits of this Section, in calculating the most the Insurer will pay for any one claim, adjustments shall be made in accordance with the following clauses.

1) Reinstatement

In the event of:

a. loss, destruction or damage to Property Insured and/or
b. loss, destruction or damage to Other Property by Explosion of Pressure Plant

for which liability is accepted the basis on which the amount payable is to be calculated will be the reinstatement of the Property Insured lost, destroyed or damaged subject to the Special Conditions set out below.

For this purpose "reinstatement" means:

1. the rebuilding or replacement of Property Insured destroyed which, provided the Insurer's liability is not increased, may be carried out:
   a. in any manner suitable to the requirements of the Insured
   b. on another site
2. the repair or restoration of Property Insured damaged in either case to a condition equivalent to, or substantially the same as, but no better or more extensive than its condition when new.

Provided that

1. where the parts necessary for repair of the Property Insured or Other Property are not available at manufacturers listed prices the Insurer shall be liable to pay for the cost of an equivalent repair to similar property for which parts are available at manufacturers listed prices
2. where the Property Insured is:
   a. used for the generation of electricity (other than standby reciprocating engine and generator sets up to one megawatt per set)
   b. glass lined vessels (other than spray lined boilers)
   c. mainly used outdoors or installed outdoors (other than Property Insured used in connection with supplying utilities and other similar services)

the basis of settlement will be indemnity and no payment beyond that which would have been payable if this Basis of Settlement Adjustment had not been included shall be made.

Special Conditions

1. The Insurer's liability for the repair or restoration of Property Insured or Other Property lost, destroyed or damaged in part only, shall not exceed the amount which would have been payable if such Property Insured had been wholly destroyed.
2. No payment beyond the amount the Insurer would have paid in the absence of this clause will be made:
   a. unless reinstatement commences and proceeds without unreasonable delay
   b. until the cost of reinstatement has actually been incurred
   c. where Property Insured or Other Property at the time of loss, destruction or damage is covered by any other insurance effected by the Insured, or on behalf of the Insured, which is not on the same basis of reinstatement.

3. Each item insured under this clause is declared to be separately subject to the following Underinsurance (Average) condition namely:
   If, at the time of loss destruction or damage, the Sum Insured represents less than 85% of the full reinstatement cost of the property covered within such Sum Insured, the Insurer shall pay only for that proportion of any loss destruction or damage which the Sum Insured bears to such cost.

4. Where by reason of any of the above Special Conditions no payment is to be made beyond the amount which would have been payable under this Section if this clause had not been incorporated therein, the terms and conditions of this Section, including any Underinsurance (Average) condition, shall apply as if this clause had not been incorporated.

2. Public Authorities

Subject to the Special Conditions set out below, cover for Property Insured includes an amount in respect of any additional cost of reinstatement which is incurred solely by reason of the necessity to comply with building or other regulations under or framed in pursuance of any Act of Parliament, with bye-laws of any public authority or to comply with the stipulations of European Union legislation, in consequence of loss destruction or damage, excluding:

a) the cost incurred in complying with such regulations, bye-laws or stipulations:

   i. in respect of loss, destruction or damage occurring prior to the granting of this cover
   ii. in respect of loss, destruction or damage not insured by this Section
   iii. under which notice has been served upon the Insured before the date of the loss, destruction or damage
   iv. in respect of undamaged property or undamaged portions of property, other than foundations (unless specifically excluded) of that portion of the property lost, destroyed or damaged

b) the additional cost that would have been required to make good the Property Insured lost, destroyed or damaged to a condition equal to its condition when new, had the necessity to comply with such regulations, bye-laws or 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 Insured, by reason of compliance with any such regulations, bye-laws or stipulations.

Special Conditions

1. The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve months after the loss, destruction or damage, or within such further time as the Insurer may allow, and may be carried out upon another site (if such regulations, bye-laws or stipulations so necessitate), subject to there being no resulting increase in the liability of the Insurer.
2. Where the parts necessary for repair of the Property Insured or Other Property are not available at manufacturers listed prices the Insurer shall be liable to pay for the cost of an equivalent repair to similar property for which parts are available at manufacturers listed prices.
3. If the liability of the Insurer is reduced by the application of any of their terms and conditions of this Section or the Policy (other than as a result of this clause) the liability of the Insurer under this clause will be reduced in like proportion.
4. All the terms and conditions of this Section and the Policy shall apply to any claim payable under the provisions of this clause, other than were they are expressly varied by the terms of this clause.

3. Additional Plant

This Section is extended to cover additional items of plant and machinery of the same class or type as insured under this Section following completion of successful testing and commissioning and where required statutory inspection and certification.

Provided that so far as the Insured is aware the plant and machinery is free from any material defect.

4. Temporary Removal

This Section is extended to cover loss, destruction of or damage to the Property Insured occurring within the European Union or European Free Trade Area while it is:

   a) temporarily located at any other premises or
   b) in transit

for the purposes of repair, service or maintenance.
Loss, destruction or damage arising from fire or fire extinguishing fluid, explosion, lightning, earthquake, storm, tempest, flood inundation, water, aircraft or other aerial devices or articles dropped therefrom theft or attempted theft shall not be excluded while the Property Insured is in transit.

Provided that the total liability of the Insurer under this Section for loss, destruction of or damage to Property Insured which is in transit or temporarily located at other premises shall not exceed £100,000.

5. Debris Removal

This Section is extended to cover the cost necessarily and reasonably incurred by the Insured with the consent of the Insurer in the removal of Property Insured following loss, destruction or damage insured by this Section.

Provided that the total liability of the Insurer for the cost of rectification of loss, destruction or damage and the removal of Property Insured shall not exceed the Sum Insured/Limit of Liability stated in the Schedule.

6. Additional Cost

This Section is extended to cover the necessary and reasonable cost incurred by the Insured following loss, destruction or damage insured by this Section:

a) in effecting a temporary repair or expediting a permanent repair, provided that the liability of the Insurer shall not exceed 50% of the normal repair cost
b) in respect of increased cost of working incurred to prevent or minimise interruption to the Business in consequence of the loss, destruction or damage excluding the cost incurred in the 48 hours immediately following the occurrence of the loss, destruction or damage

Provided that the liability of the Insurer shall not exceed £25,000 in respect of any one accident or series of accidents arising from one occurrence of loss, destruction or damage, and such limit shall apply in addition to the Total Sum Insured, or for each item its individual Sum Insured, or any other limit of liability in this Section.

7. Claims Preparation Cost

This Section is extended to cover the necessary and reasonable cost incurred in producing and certifying any particulars or details
required by the Insurer in connection with an event for which liability has been accepted but limited to:

a additional cost incurred by employees of the Insured
b additional fees charged by the usual auditors of the Insured
c the cost of materials used in furnishing the requirements of the Insurer.

Provided that the liability of the Insurer shall not exceed £5,000 in respect of any one accident or series of accidents arising from one occurrence of loss, destruction or damage, and such limit shall apply in addition to the Total Sum Insured, or for each item its individual Sum Insured, or any other limit of liability in this Section.

8. Avoidance of Impending Damage

This Section is extended to cover the cost incurred by the Insured in taking reasonable but exceptional measures to avoid or reduce impending loss, destruction or damage which would have resulted in a claim under this Section.

Provided that:

a) the impending loss, destruction or damage did not arise from any defect in the Property Insured
b) the impending loss, destruction or damage did not arise from a reasonably foreseeable cause
c) the loss, destruction or damage would have been the natural outcome to be expected in the absence of the measures taken
d) the Insurer is satisfied that loss, destruction or damage which would have been insured under this Section has been avoided or reduced in consequence of the measures taken
e) the liability of the Insurer shall not exceed the cost which would have been incurred had the measures not been taken and loss, destruction or damage insured by this Section had occurred.

9. Payments on Account

This Section is extended to cover payment as agreed between the Insured and the Insurer in advance of final settlement of a claim under this Section where the Insurer has admitted liability.

10. Hired in Plant

This Section is extended to cover the legal liability of the Insured under the terms of their hiring agreement or otherwise to pay:

a) compensation for loss, destruction of or damage to Hired in Plant while at or while in transit (other than by sea or air) to and from any Premises specified in the Schedule and
b) continuing hire charges as a result of loss, destruction of or damage to Hired in Plant for which indemnity is provided by a above.

In addition the Insurer will pay all legal expenses for which the Insured may become liable where legal proceedings have been defended with the written consent of the Insurer.

Provided that:

1. the terms of any hiring agreement shall be no more onerous than the Model Conditions for the hiring of plant approved by the Construction Plant-hire Association
2. where the hire charges paid during the Period of Insurance exceed £2,000 the Insured shall declare the hire charges paid and shall pay the additional premium requested by the Insurer
3. the liability of the Insurer under this Basis of Settlement Adjustment shall not exceed £20,000.

Exclusion **2** does not apply to this Basis of Settlement Adjustment of cover.

Definition
For the purposes of this Basis of Settlement Adjustment, Hired in Plant means plant or machinery with a replacement value not more than £10,000 hired by the Insured but not plant on hire purchase or subject to a lease agreement or on free loan.

11. Fuel Storage Tanks Loss of Contents

This Section is extended to cover:

a) loss of the contents of and
b) the cost incurred by the Insured in cleaning up the spilled or leaked contents from

Fuel Storage Tanks insured by this Section directly and solely due to sudden and unforeseen loss, destruction or damage for which indemnity is provided by this Section.

Provided that:

1. the liability of the Insurer under this Basis of Settlement Adjustment shall not exceed £25,000 in connection with any one occurrence regardless of the number or amount of claims resulting from the occurrence
2. the value of the contents does not exceed:
   a) £25,000 in respect of any one Fuel Storage Tank
   b) £100,000 in respect of all Fuel Storage Tanks.

This Basis of Settlement Adjustment does not cover:

i. loss of contents by evaporation, seepage, contamination or any form of trade loss
ii. the cost of relevelling Fuel Storage Tanks unless resulting from sudden and unforeseen loss destruction or damage insured by this Section
iii. the cost of cleaning up any spillage or leakage in areas outside the boundaries of the Insured's Premises or to other property not belonging to the Insured
iv. loss, destruction or damage by or in consequence of the process of cleaning up the contents of the Fuel Storage Tanks
v. liability for cleaning up or making good any pollution or contamination of the water table or any water course or property of any party other than the Insured.

Definition
For the purposes of this Basis of Settlement Adjustment, Fuel Storage Tanks shall mean tanks (or similar containers) designed and used to store oil and other fossil fuels or liquid propane gas.

12. Claims Investigation Cost

This Section is extended to cover the necessary and reasonable cost (including the cost of consultants fees) incurred in conducting investigations and tests in respect of possible repair or replacement options following loss, destruction or damage insured by this Section.

Provided that:

a) the liability of the Insurer under this Extension shall not exceed £25,000 in connection with any one occurrence regardless of the number or amount of claims resulting from the occurrence
b) the prior consent of the Insurer has been obtained.

Section Exclusions

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

1. Excess

the amount stated in the Schedule as the Excess in respect of each and every occurrence for which the Insured is indemnified by this Section.

2. Perils

loss, destruction or damage by:

a) fire however caused
b) fire extinguishing fluid
c) explosion other than specifically insured by this Section
d) lightning earthquake storm tempest flood inundation water aircraft or other aerial devices or articles dropped therefrom
e) subsidence or other ground movement or displacement
f) theft or attempted theft
g) riot strike lockout and civil commotion.

3. Maintenance Faulty Workmanship or Application of Tools

the cost of:

a) Maintenance
b) rectification of faulty workmanship occurring during the execution of repairs but not loss, destruction or damage resulting from a or b unless otherwise excluded
c) loss, destruction or damage by direct application of tools.

4. Wear and Tear or Gradual Deterioration

the cost of rectification of:

a) inevitable wear and tear erosion corrosion or other deterioration caused by or naturally resulting from ordinary work use or exposure
b) gradually developing flaws or fractures which do not necessitate immediate stoppage but not loss, destruction or damage insured by this Section resulting from a or b unless otherwise excluded.

5. Excluded Parts and Components

cutters, bits, tools, moulds, dies, heating elements, driving belts and chains and similar items that require periodic replacement.
If as a result of other loss, destruction or damage insured by this Section these items are damaged beyond repair then the Insurer shall indemnify the Insured for any remaining residual value.

6. Safety or Protective Devices

loss, destruction or damage to safety or protective devices by their functioning.

7. Multiple Lifting Operations

loss, destruction or damage arising during any lifting or lowering operation in which a load is shared between two or more machines unless the prior consent of the Insurer has been obtained.

8. Vessels, Craft, Vehicles, Rigs, Platforms or Devices

loss, destruction of or damage to any:

a) vessel, craft, vehicle or device designed to float on, in or travel under or through water, air or space
b) marine rig or marine platform
c) equipment mounted on and fixed to such vessel craft vehicle device rig or platform.

9. Other Consequential Loss

liquidated damages penalties for delay or detention or in connection with guarantees of performance or efficiency or loss of use or any form of consequential loss not specifically insured by this Section.

10. Installation or Removal

loss, destruction or damage to any item of the Property Insured arising during:

a) its initial installation, erection or its final removal
b) its final testing or commissioning.

11. Scratching

scratching of painted or polished surfaces unless accompanied by other indemnifiable loss, destruction or damage to the item.

12. Overloading or Abnormal Conditions

loss, destruction or damage to any item of the Property Insured caused by or arising from

a) the imposition of abnormal conditions deliberate overloading or overload testing other than overload testing in accordance with the Code of Practice for the Safe Use of Cranes BS 7121 including any subsequent amendments or revisions
b) overload testing in accordance with the Code of Practice for the Safe Use of Cranes BS 7121 including any subsequent amendments or revisions caused by or arising from a defect in the item.

13. Pollution or Contamination

This Section does not cover loss, destruction, damage, legal liability or cost consisting of or in consequence of loss, destruction or damage (whether sudden and unforeseen or not or accidental or not) directly or indirectly caused by or contributed to by or arising from pollution or contamination. This Exclusion shall not apply to cost arising from pollution or contamination of Property Insured caused directly by an occurrence which is insured by this Section.

Section Conditions

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

1. Claims Conditions

a) The Insurer shall not be liable for the cost of any repairs undertaken without their 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 6 of this Policy have been complied with and
ii. the repairs have been carried out to the satisfaction of the Insurer.

There loss, destruction or damage is confined to a part of a machine or structure the Insurer shall be liable for the value of that part plus the cost of any necessary dismantling and erection for which the Insured is responsible.

Section 2 – Loss of Rent

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. Please also refer to the **General Definitions** section.

Indemnity period

The period beginning when **damage** occurs, and ending when the results of the **business** cease to be affected in consequence of the **damage** but not exceeding the maximum indemnity period as shown in the **schedule**.

Annual rent receivable

The **rent receivable** during the 12 months immediately before the date of the **damage**.

Rent receivable

The amount of the rent, service charges and other income received or receivable from the letting of the **premises** and services rendered at them.

Standard rent receivable

The **rent receivable** during the period in the 12 months immediately before the date of the **damage** which corresponds with the **indemnity period** to which such adjustments will 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 adjusted will 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**.

Vicinity

Within 1000 metres of the **premises** of the **insured**.

Geographical Limits

At the **premises** or any other premises in the United Kingdom occupied by persons acting on behalf of the **insured**, to which **insured's records** have been temporarily removed in transit, including sea or air transit, within the United Kingdom.

Insured's Records

The **insured's** books of account or all business records.

Outstanding Debit Balances

The total recorded by the **insured** under the provisions of *Section 2 Extension - Book Debts* 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 entry relates and the date of the **damage**

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 results which but for the **damage** the **insured** would have obtained at the date of the **damage** had the **damage** not occurred.

Section 2 – Operative clause

The **company** agrees (subject to the terms, conditions, extensions, exclusions, provisions and **endorsements** of this **policy**) that in the event of **damage** to **property insured** by **Section 1 – Buildings** during any **period of insurance** caused by or resulting from a cause not otherwise excluded, the **company** will pay to the **insured**:

a) the amount by which the **rent receivable** earned by the **insured** during the period stated in the item description as stated in the **schedule** will because of the **damage** fall short of the **standard rent receivable** which would have been received during the period had the **damage** not occurred; or

b) the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding a shortfall in rent but not exceeding the amount of the loss of rent which would otherwise have been payable under paragraph a);

less any savings in respect of expenditure payable out of **rent receivable** which reduces or ceases because of the **damage**.

If following **damage**, the amount of **rent receivable** is maintained by the provision of alternative accommodation by the **insured**, the rent will be taken into account in calculating the amount payable.

Provided that:

i) at the time of the happening of the **damage**, there must be in force an insurance covering the **damage** under which:

   a) payment will have been made or liability admitted for the payment; or

   b) payment would have been made or liability admitted for the payment but for the operation of a proviso in the insurance excluding liability for losses below a specified amount

ii) the liability of the **company** under this section will not exceed the **sum(s) insured** and **limit(s)** stated in the **schedule** and any other **limit(s)** stated where any are applicable.

Section 2 – Extensions

Unless otherwise stated in the **schedule**, the following extensions will apply, subject always to the terms, conditions, exclusions and provisions of this **policy** and provided that the liability of the **company** under each extension does not exceed the **sum(s) insured** and **limit(s)** stated in the **schedule** and any other **limit(s)** where any are applicable:

1) Buildings awaiting sale

If at the time of the **damage**, the **insured** will have contracted to sell their interest in any **premises** and the sale is cancelled or delayed solely in consequence of the **damage**, the amount payable, up to the limit of £1,000,000, may at the **insured's** option be either:

a) during the period prior to the date upon which but for the **damage** the **premises** would have been sold the loss of rent being the actual amount of the reduction in the **rent receivable** by the **insured** during the **indemnity period** solely in consequence of the **damage**; or

b) during the period commencing with the date upon which but for the **damage** the **premises** would have been sold and ending with the actual date of sale or with the expiry of the **indemnity period** if earlier the loss in respect of interest being:

   i) the actual interest incurred on capital borrowed solely to offset, in whole or in part, the loss of use of the sale proceeds for the purpose of financing the **business**; or

   ii) the investment interest lost to the **insured** on any balance of the sale proceeds after deduction of any capital borrowed as provided for under paragraph i) above less any amount receivable in respect of rent.

This extension also covers, with the consent of the **company**, additional expenditure being the expenditure necessarily and reasonably incurred during the **indemnity period** because of the **damage** solely to avoid or minimise the loss payable under a) and b) above.

Provided that the **insured** makes all reasonable efforts to complete the sale of the **premises** as soon as practicable after the **damage**.

2) Denial of access (damage or not)

For the purpose of this extension, the meaning of the word **damage** will be direct accidental physical loss of or destruction of or damage to property directly caused by a **defined peril** to property within the **vicinity** of the **premises** which will prevent or hinder the use of the **premises** or access or exit whether the **premises** or property of the **insured** will be damaged or not but excluding accidental loss of or destruction of or damage to property of any supply undertaking from which the **insured** obtains electricity, gas, water or telecommunications services, which prevents or hinders the supply of such services to the **premises** for a period of greater than 12 hours.

Provided that the liability of the **company** will not exceed 10% of the sum insured or £1,000,000 whichever is the lesser any one loss and in total during any one period of insurance and the maximum period of indemnity shall be no more than 3 months

Section 2 – Conditions 2) Automatic reinstatement does not apply to this extension

3) Local authority rates

The insurance by each item on **rent receivable** extends to include the costs of local authority rates on **empty** properties.

Provided that:

a) costs are incurred by the **insured** solely as a result of the lessee being able to determine or frustrate the lease following **damage**;

b) costs will not be payable in respect of any portion or portions of the **premises** that were untenanted at the time of **damage**, unless a tenancy agreement had been signed within 3 months of the date of **damage** and subsequently cancelled solely as a result of **damage** occurring;

c) the liability of the **company** will not exceed:

   a) £50,000 any one **occurrence**;

   b) £250,000 in total for all losses occurring during any one **period of insurance**.

d) no payment under this extension will be payable if the **premises** are unfit for occupation as a result of an act or omission by the **insured** or any party acting on their behalf which has resulted in a valuation officer reinstating the **property insured** on the rating list.

4) Loss of attraction

For the purpose of this extension **indemnity period** means 12 weeks.

The insurance provided by this section extends to include loss resulting from interruption of or interference with the **insured's** business directly caused by **damage** resulting from a **defined peril** to property in the **vicinity** of the **premises** not encompassed by **Section 2 – Loss of Rent extension Denial of Access (Damage)** which will deter potential tenants whether the premises of the **insured** or property of the **insured** will be damaged or not and result in an identifiable reduction in the **insured's rent receivable** which would not have occurred but for such **damage**.

Provided that the liability of the **company** will not exceed 25% of the sum insured or £100,000 whichever is the lesser any one loss and in total during any one **period of insurance**.

Section 2 – Conditions 2) Automatic reinstatement does not apply to this extension

5) Loss of attraction (Anchor tenants)

For the purpose of this extension **indemnity period** means 12 weeks in any one period of insurance irrespective of the number of premises insured.

In respect of anchor tenants only, if solely in consequence of interruption or interference with the **insured's business** directly caused by **damage** resulting from a **defined peril**, an anchor tenant vacates the **premises** by virtue of their lease agreement enabling them to do so, the insurance by this extension will include the loss of **rent receivable** following the insolvency of other tenants which can be solely identifiable and / or attributable to a reduction in the number of customers attracted to the **vicinity** of the **premises**;

Provided that:

a) the liability of the **company** will not exceed 25% of the sum insured or £100,000 whichever is the lesser any one loss and in total for all losses occurring during any one **period of insurance**; and

b) the **company's** liability will only apply for the period beginning with the loss and ending not later than the **indemnity period** during which the results of the **business** are affected because of the interference.

c) no claim shall also be submitted under **Section 2 – Loss of Rent extension 4 Loss of attraction** for the same incident.

Section 2 – Conditions 2) Automatic reinstatement does not apply to this extension

6) Managing agents' premises

The insurance by each item on **rent receivable** is extended to include loss as insured resulting solely from **damage** by a **defined peril** to **buildings** or other **property insured** at any location in the **United Kingdom** owned or occupied by the **insured's** managing agents for the purposes of their **business** because of which the **rent receivable** by the **insured** is reduced.

Provided that the liability of the **company** does not exceed 20% of the **sum insured** by the relevant item(s) or £250,000 any one **occurrence** whichever is the less.

7) Public utilities

This section extends up to the limit of £50,000 to include interruption or interference with the **business** of the **insured** directly caused by **damage** resulting from a **defined peril** giving rise to destruction or **damage** to property involving an interruption of more than 12 hours at any:

a) generating station or sub-station of the public electricity supply undertaking;

b) land based premises of the public gas supply undertaking or of any natural gas producer linked directly to it;

c) waterworks and pumping stations of the public water supply undertaking;

d) land based premises of the public telecommunications undertaking

from which the **insured** obtains electricity, gas, water or telecommunication services within the territorial limits but excluding interruption or interference with the business caused by or consisting of:

i) strikes or any labour or trade dispute;

ii) drought;

iii) solar flares atmospheric or weather conditions (other than drought) but this will not exclude failure of supply due to loss or destruction of or damage to property used by a supply authority caused by such conditions, unless otherwise excluded;

iv) satellite services.

Subject to a maximum indemnity period of 3 months

Section 2 – Conditions 2) Automatic reinstatement does not apply to this extension

8) Re-letting costs

The insurance provided by this section extends to include the reasonable costs and expenses necessarily incurred with the **company's** written consent during the **indemnity period** in re-letting any premises including legal fees in connection with the re-letting solely in consequence of **damage**.

Provided that the liability of the **company** does not exceed £10,000 any one **occurrence** and £50,000 in total for all losses occurring during any one **period of insurance**.

9) Rent free periods

If at the date of the **damage**, the **premises** are subject to a rent free period concession under the terms of the lease, the **indemnity period** will be adjusted by adding the unexpired portion of the rent free period to the maximum **indemnity period**.

10) Rent review

Where the **rent receivable** is subject to a rent review during the **period of insurance**, then the **sum insured** by this section will be automatically increased to reflect the revised **rent receivable** earned.

Additional premium will not be charged for the increase in cover during the **period of insurance**, provided that the **insured**, prior to renewal, advises the **company** of the revised **rent receivable sum insured** for the forthcoming **period of insurance**.

11) Book Debts

Cover extends to include the **insured's** loss in respect of **outstanding debit balances** following **damage** to the insured's records.

The most the **company** will pay for any one **occurrence** is
£250,000.

The following basis of settlement applies in respect of this cover.

The **company** will pay the **insured** the amount of their claim for **outstanding debit balances** if in consequence of **damage** within the **geographical limits** the **insured** are unable to trace or establish **outstanding debit balances** in whole or in part. The cover is limited to loss sustained by the **insured** directly due to the **damage** and the amount payable shall not exceed;

a) the difference between

i) the **outstanding debit balances**, and

ii) the total of the amounts received or traced in respect of such balances

b) the additional expenditure incurred with the **company's** previous consent in tracing and establishing customers' debit balances after the **damage**.

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Provided that:

1) At the end of each month the **insured** shall record the total amount outstanding in customers' accounts at that time, and keep a copy of such records at a place other than the **insured's premises**.

2) In the event of **damage** in consequence of which the **insured** make or may make a claim under this basis of settlement adjustment, the **insured** shall at their own expense deliver to the **company** full information in writing of the particulars of the claim, together with details of all other policies covering **outstanding debit balances** or any part of them, and the amount of any resulting **outstanding debit balances**. The **company** will not pay for any claim unless the terms of this condition precedent have been complied with, and any payment on account already made shall be repaid to the **company**.

3) If the at the time that the damage is incurred the **outstanding debit balances** is less than £250,000, the amount payable will be proportionately reduced.

12) Exhibition Sites

The insurance provided by this section extends to include loss arising from **damage** to **property** at any exhibition site within the United Kingdom

Provided that;

i) such exhibition site is not under canvas or in the open

ii) the **company** shall not be liable under this extension for more than £25,000 unless specified otherwise in the **schedule**.

Additional Loss of Rent Extensions

Contingencies

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, except where the Premises is a Private Dwelling
b) the discovery of an organism at the Premises likely to result in the outbreak of food or drink poisoning causing illness in humans, except where the Premises is a Private Dwelling
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 Damage within this Section 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.

Damage 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.

For the purposes of this Extension:

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 for which the Insured are responsible within the United Kingdom (excluding any situation or property shown in the Extensions to this Section).

Private Dwelling means:

The flat, maisonette or house situate at the Premises occupied for domestic residential purposes only.

Special Conditions

1. Policy Exclusion 11 Communicable Disease shall not apply to this Extension.
2. The Insurer shall not be liable under this Extension for any Loss of Rent

a) that does not involve use of the Premises being restricted on the order of a competent local authority for at least 12 consecutive hours
b) 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
c) where the restrictions (or series of related restrictions) on the use of the Premises were first imposed prior to the Period of Insurance.
d) 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.

3. 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.
4. The Insurer shall only be liable for loss arising at those Premises which are directly affected by any Contingency.

Section 2 – Conditions

Included here are the conditions of the insurance under this section that the **insured** needs to meet as their part of this policy. If the **insured** does not meet these conditions, the **company** will be entitled to reject a claim or a claim payment could be reduced.

1) Accountants fees

Any particulars in the **insured's** accounts or other information or evidence which may be required by the **company** under the conditions of this **policy** for the purpose of investigating or verifying any claim may be produced by professional accountants if at the time they are acting regularly as such for the **insured** and their report will be primary evidence of the information to which it relates.

The **company** will pay the reasonable charges payable by the **insured** to the accountants for producing such particulars, information or evidence, provided that the sum of the amount payable under this clause and the amount otherwise payable under this section will in no case exceed the liability of the **company** as stated.

2) Automatic reinstatement

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 the **company** or by the **insured**, and the **insured** undertakes to pay the necessary premiums as may be required for the reinstatement from that date.

3) Alternative premises

If during the **indemnity period**, accommodation will be provided or services rendered elsewhere than at the **premises** for the benefit of the **business** either by the **insured** or by others on behalf of the **insured**, the money paid or payable in respect of services will be brought into account in arriving at the **rent receivable** during the **indemnity period**.

4) Current cost accounting

For the purposes of this section, any adjustment implemented in current cost accounting will be disregarded.

5) Payments on account

The **company** will make payment on account during the **indemnity period** if the **insured** so requests subject to any necessary adjustment at the end of the **indemnity period**.

6) Value Added Tax

To the extent that the **insured** is accountable to the tax authorities for Value Added Tax, all terms in this section will be exclusive of such tax.

Section 2 – Exclusions

This section does not cover:

1) Gradually operating causes and other risks

Loss of **rent receivable** arising from **damage** caused by or consisting of:

a) gradual deterioration, frost, wear and tear;

b) inherent vice, latent defect or the property's own faulty or defective design or materials;

c) change in water table level except in respect of subsidence, ground heave or landslip;

d) faulty or defective workmanship, operational error or omission on the part of the **insured** or any of the **insured's employees**;

e) the correction of defects in design or content of any computer records or program and any associated costs and expenses;

f) collapse or cracking of **buildings** or structures, unless resulting from a **defined peril** and not otherwise excluded;

g) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds;

h) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects;

i) change in temperature, colour, flavour, texture or finish;

but this will not exclude:

ii) **rent receivable** arising from **damage** not otherwise excluded which itself results from a **defined peril**; or

iii) subsequent **rent receivable** arising from subsequent **damage** which itself results from a cause not otherwise excluded.

2) Deliberate act of a supply undertaking

Loss of **rent receivable** arising from or caused by the **deliberate act of a supply undertaking** in withholding or restricting:

a) the supply of;

i) water; or

ii) gas; or

iii) electricity; or

iv) fuel; or

v) telecommunications

b) the provision of extranets or access to or presence on the internet or access to applications and related services over the internet:

i) but this will not exclude **rent receivable** not otherwise excluded which itself results from a **defined peril** or any other accidental loss destruction or **damage**; or

ii) subsequent **rent receivable** which itself results from a cause not otherwise excluded.

3) Pollution and contamination

Loss of **rent receivable** resulting from pollution (including but not limited to **pollution**) or contamination but this will not exclude loss resulting from **damage** not otherwise excluded caused by:

a) **pollution** (including but not limited to **pollution**) or contamination at the **premises** which itself results from a **defined peril**; or

b) a **defined peril** which itself results from pollution (including but not limited to **pollution**) or contamination.

4) **Fraud or disappearance**

Loss of **rent receivable** arising from or caused by:

a) acts of fraud or dishonesty by the **insured** or by any director, partner or **employee** of the **insured**;
b) disappearance or unexplained loss or inventory, shortage, misfiling or misplacing of information or shortages due to error or omission;
c) the voluntary parting with title or possession of any **property insured** if induced by any fraudulent scheme, trick, device or false pretence;
d) theft or attempted theft caused by or in conjunction with the **insured** or any of the **insured's** partners, directors, employed persons, member of the **insured's** family or any other person lawfully at the premises.

5) **Property in the open**

Loss of **rent receivable** arising from **damage** in respect of:

a) moveable property in the open, fences and gates; or
b) open sided **buildings** or property within

caused by wind, rain, hail, sleet, snow, flood, sand, dust or freezing other than in respect of the items covered by the extension of cover to the **Section 1 - Buildings – Temporary Removal.**

6) **Processes**

Loss of **rent receivable** as a result of **damage** caused by or consisting of:

a) fire resulting from the **property insured** undergoing any heating process or any process involving the application of heat; or
b) (other than by fire or explosion) resulting from the **property insured** undergoing any process of production, packing, treatment, testing, commissioning, servicing or repair.

7) **Consequential loss**

Fines, liquidated damages, penalties for delay or detention or in connection with guarantees of performance or efficiency or loss of use or any other form of consequential loss not specifically provided for.

8) **Marine impact**

Loss of **rent receivable** arising from **damage** caused by or arising from impact to any property by any waterborne vessel or craft.

9) **Settlement**

Loss of **rent receivable** arising from **damage**:

a) caused by or consisting of the bedding down of new structures or by the settlement or movement of made up ground or by coastal or river erosion; or
b) caused by subsidence or ground heave or landslip which commenced prior to the inception of this cover; or
c) caused by or consisting of subsidence ground heave or landslip to roads, driveways, yards, footpaths, car-parks or forecourts, unless **damage** is caused to the **buildings** (except that, for the purposes of this **exclusion** only, it will not include sub-paragraphs d), e), f), g and h) of the **buildings** definition) by the same cause and at the same time.

10) **Deductible**

The amount of any **deductible** stated in the **schedule**.

11) **Boiler explosion**

Loss of **rent receivable** arising from **damage** caused by or consisting of the bursting of a boiler, economiser, vessel, machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the **insured** other than any boiler or economiser on the **premises** or a boiler used for domestic purposes but this will not exclude subsequent **rent receivable** which itself results from a cause not otherwise excluded.

12) **Machinery or electrical breakdown and other risks**

Loss of **rent receivable** arising from **damage** caused by or consisting of:

a) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and associated feed piping; or

b) mechanical or electrical breakdown or derangement of the particular machine, apparatus or equipment in which such breakdown or derangement originates

but this will not exclude:

i) **rent receivable** arising from **damage** not otherwise excluded which itself results from a defined peril; or

ii) subsequent **rent receivable** arising from **damage** which itself results from a cause not otherwise excluded.

13) **Property**

Loss of **rent receivable** arising from **damage** to:

a) vehicles licensed for road use (including accessories thereon) caravans, trailers, railway locomotives, rolling stock, watercraft, aircraft or spacecraft;

b) land (including water in or on land), railway lines, dams, reservoirs, piers, jetties, wharves, docks, canals, rigs, wells, pipelines, culverts, tunnels, excavations, mining property, underground or off-shore property unless specifically insured elsewhere;

c) livestock including but not limited to horses, cattle, sheep, pigs, poultry and eggs;

d) growing crops, trees or plants, other than extension of cover to **Section 1** - **Buildings** – Landscaping;

e) above ground transmission and distribution lines and their supporting structures all the property of the **insured** or for which they are responsible other than those within 250 meters of any of the **premises**;

f) money, cheques, stamps, bonds, credit cards or securities of any description;

g) property or structures in the course of construction or erection and materials or supplies in connection with all such property in the course of construction or erection, other than cover provided under extension of cover to **Section 1** – **Buildings - Contract Works**;

h) property in transit other than the cover provided under the following extension of cover to the **Section 1 - Buildings** - **Temporary Removal**, provided that the **damage** is not caused by or happening through defective or inadequate packing;

i) a public highway unless the property of the **insured** or for which the **insured** is responsible;

j) jewellery, precious stones, gold and silver articles, precious metals, bullion, watches, furs, curiosities, works of art or rare books, explosives, non-ferrous metals, deeds, documents, manuscripts, plans, designs or business books;

k) wines, spirits, cigarettes, cigars and tobacco unless held on the **premises** for entertainment purposes

other than **rent receivable** arising from **damage** caused by a **defined peril** insofar as it is not otherwise excluded.

Extensions Applicable to Section 1 – Buildings and Section 2 – Loss of Rent

Unless otherwise stated in the **schedule**, the following extensions will apply subject always to the terms, conditions, exclusions and provisions of this **policy** and provided that the liability of the **company** under each extension will not exceed the **sum(s) insured** and **limit(s)** stated in the **schedule** and any other **limit(s)** where any are applicable.

1) Acquisitions

The insurance by **Section 1 - Buildings** and **Section 2 - Loss of Rent** extends to include any new premises acquired by the **insured** within the **territorial limits**.

Provided that:

a) the activities carried on are of a similar nature to the **insured's** existing activities;

b) the **insured** undertakes, as soon as practicable and in any event within 90 days of completion of the acquisition, to give particulars of the acquisition and to effect specific insurance retrospectively from the date of its acquisition;

c) the **company** will be entitled to charge an appropriate additional premium pro rata from the date of the acquisition by the **insured** and may vary the terms of this **policy** in respect of the acquisition;

d) the **company** will not be liable if the premises are insured by or would but for the existence of this **policy** be insured by any more specific insurance **policy** or policies except in respect of any excess beyond the amount which would have been payable under the other insurance **policy** or policies had this insurance not been effected;

e) the liability of the **company** in respect of any one occurrence for **buildings** and **rent receivable** will not exceed:

i) occupied office blocks £5,000,000 in respect any one **premises**;

ii) **empty buildings** £1,000,000 in respect any one **premises**;

iii) any other **building** £2,000,000 in respect of any one **premises**.

2) Capital additions

The insurance by **Section 1 - Buildings** and **Section 2 - Loss of Rent** extends to include:

a) any newly acquired buildings within the **territorial limits**, provided that the same are not otherwise insured; or

b) alterations, additions and improvements to **buildings** but not in respect of any appreciation in value during the current **period of insurance**.

Provided that:

i) the liability of the **company** in respect of any one claim for **buildings** and **rent** receivable will not exceed:

a. occupied office blocks 20% of the sum insured or £5,000,000 whichever is the lesser in respect any one **premises**;

b. **empty buildings** 10% of the sum insured or £1,000,000 whichever is the lesser in respect any one **premises**;

c. any other **building** 20% of the sum insured or £2,000,000 whichever is the lesser in respect of any one **premises**

ii) the **insured** undertakes to give particulars of such extension of cover as soon as practicable and to effect specific insurance retrospective to the date of the start of the **company's** liability;

iii) the provisions of this clause will be fully maintained, notwithstanding any specific insurance effected under b) above;

iv) if cover is provided under this extension then cover will not apply at the same time in respect of extension **1) Acquisitions**.

3) Inadvertent omissions

In respect of **damage** to property where the **insured** has notified the **company** of its intention to insure all property in which it is interested and believes that all such property is insured and the property is found to have been inadvertently omitted from this insurance.

In respect of such property, the **company** will deem it to be insured within the terms of this **policy**, subject to payment of premium on all property as from the start of this **policy** (or from the date of the **insured's** interest in the property if it is constructed, erected or purchased after the start of this **policy**), provided that as soon as the **insured** is aware of an omission, it declares full details of the property to the **company**.

Provided that the liability of the **company** in respect of any one claim for **buildings** and **rent receivable** will not exceed:

a) occupied office blocks £5,000,000 in respect any one **premises**;

b) **empty buildings** £1,000,000 in respect any one **premises**;

c) any other **building** £2,000,000 in respect of any one **premises**.

4) Third party failure to insure

The insurance by **Section 1 - Buildings** and **Section 2 - Loss of Rent** extends to include:

a) damage to buildings;

b) loss of rent receivable following damage to buildings;

in which the **insured** have an insurable interest but under the terms of the lease the responsibility for arranging adequate insurance falls upon a third party or third party lessee or lessor.

Provided that:

i) this extension does not cover any contribution towards any more specific insurance in force;

ii) this extension does not cover any excess or self-imposed deductible;

iii) a valid enforceable lease is in force;

iv) the **insured** could not have prevented such failure;

v) the cover applies solely in respect of claims arising directly from contingencies specified in the lease but in no case greater in scope than the cover provided by these sections;

vi) the **insured** annually undertakes a review of such third party insurances to ensure that the lessees or lessors have effected and maintain adequate insurance cover including any **Terrorism** cover;

vii) upon discovery of a failure to insure or to insure for an adequate reinstatement value the **insured** will immediately effect adequate insurance cover including any **Terrorism** cover where the **insured** has elected to take **Terrorism** cover;

viii) subrogation rights are not waived in respect of **damage** caused by **Terrorism**;

ix) the liability of the **company** in respect of any one claim for **buildings** and **rent receivable** will not exceed:

a. occupied office blocks £2,000,000 in respect any one **premises**;

b. **empty buildings** £500,000 in respect any one **premises**;

c. any other **building** £1,000,000 in respect of any one **premises**.

Seventy Two Hours Clause

Damage occurring within 72 consecutive hours of and arising from defined perids d & e – Property Damage 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

Conditions Applicable to Section 1 – Buildings and Section 2 – Loss of Rent

1) **Fire extinguishing appliances** (applicable **to section 1 – Buildings** and **section 2 – Loss of Rent** only)

It is a condition precedent to cover that in respect of any fire extinguishing appliances in the **premises**, the **insured** will keep such appliances in working order.

2) **Fire protection devices** (applicable to **section 1 – Buildings** and **section 2 – Loss of Rent** only)

It is a condition precedent to cover that in respect of **premises** fitted with an:

a) automatic sprinkler; or

b) automatic or manual water, mist or gas or chemical extinguishment

installation(s) the **insured** will so far as the **insured's** responsibility extends:

i) maintain the installation(s) including the automatic external alarm signal in efficient condition; and

ii) maintain ready access to the water, gas or chemical supply control facilities; and

iii) provide written notice to the **company** and obtain their prior agreement where the efficient operation of such installation(s) is to be compromised for a period greater than 12 consecutive hours, in consequence of changes, repairs or alterations to such installation(s); and

iv) ensure routine service maintenance and tests in accordance with the manufacturers, suppliers, or the **company's** recommendations are undertaken and remedy promptly any defect revealed by such service maintenance or test.

If the efficient operation of such installation(s) is to be compromised for a period greater than 12 consecutive hours, the **insured** must provide written notice to the **company**.

The **company** must have access to the **premises** at all reasonable times for the purpose of inspection.

In the event that alterations become necessary to any such installation(s), the **company** may at their option suspend any cover under this **policy** consequent on the accidental escape of water from the installation(s) until the alterations or repairs have been carried out and approved by the **company** and notice of any such action will be given by the **company** in writing

3) **Unoccupied buildings** (applicable to **section 1 – Buildings** and **section 2 – Loss of Rent** only)

Whenever the **property insured** becomes **empty** it is a condition precedent to cover that the **insured** will:

a) notify the **company** as soon as reasonably practicable the **building** insured becomes **empty or dis-used** and a suitable additional premium be paid if required; and

b) have implemented the following measures:

i) all gas, water, fuel and electricity services and /or supplies (except specific electrical circuits which are required to be maintained to ensure the continued operation of an intruder or fire alarm system) are kept shut off at the switch or stopcock where they enter the **building**; and

ii) all water and heating systems to be drained and be kept drained; and

iii) the **insured** will secure the **premises** against unlawful entry by putting all protective locking devices and any alarm protection into effective operation and all external doors of the **premises** being fitted with a mortice deadlock which has 5 or more levers and or conforms to BS3621 : 2004 specification for thief-resistant locks and matching boxed striking plate; and

iv) sealing all letter boxes; and

v) any **building** and the external areas surrounding that **building** to be kept free of all unfixed combustible materials; and

vi) any additional requirements put forward by the **company** to be completed within the timescale specified; and

vii) all **buildings** to be inspected internally and externally by the **insured** or their nominees at least weekly to check that the requirements of this condition are in place.

4) **Workmen** (applicable to **section 1 – Buildings** and **section 2 – Loss of Rent** only)

This **policy** will not be invalidated by workmen in and about the **premises** for the purpose of carrying out minor alterations, decoration, repairs, general maintenance or the like

Section 3 – Liability

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. Please also refer to the **General Definitions** section.

Airside liability

Liability in connection with any area of airport premises which has restricted rights of access, including manoeuvring areas, aprons, taxiways, runways and service roads, which are directly associated therewith.

Employee

a) any person under a contract of service or apprenticeship with the **insured**;

b) any labour master or labour only sub-contractor or persons supplied by them whilst under the direct control and supervision of the **insured**;

c) self-employed persons engaged by the **insured**

d) persons engaged by the **insured** under work experience, training, study or similar schemes;

e) any person hired to, borrowed by or supplied to the **insured** from any other employer;

f) persons on secondment to the **insured** from the **insured's** parent or subsidiary companies outside the **United Kingdom**;

g) voluntary workers for the **insured**;

h) outworkers and home workers for the **insured**;

i) any prospective employee who is being assessed by the **insured** as to his or her suitability for employment;

j) any person determined to be an **employee** by a Court situated in the **territorial limits**.

Working for and under the control of the **insured** in connection with the **business**

Enforcing authority

Any government or statutory authority or body implementing or enforcing environmental protection legislation.

Occurrence

One event or series of events attributable to an originating source or cause.

Offshore

From the time of embarkation onshore onto a conveyance at the point of final departure to an offshore rig, offshore platform, or support or accommodation vessel, until disembarkation onshore from such offshore rig, offshore platform or support or accommodation vessel.

Pollution incident

A sudden identifiable unexpected and unintended **pollution** that takes place in its entirety at a specific time and place during the **period of insurance**.

Principal

Any party, other than a director, partner or **employee** of the **insured,** with whom the **insured** has entered into a contract in the course of the **business**.

Property damage

Direct physical loss of or direct physical damage to material property.

Remediation costs

The reasonable and necessary costs incurred by the **insured** (or for which the **insured** becomes legally liable to pay) to investigate, neutralise, remove, remediate (including associated monitoring) or dispose of soil, surface water, groundwater or other contamination as required by any **enforcing authority**, but does not include costs of achieving any improvement or alteration in the condition of the land, the atmosphere or any water course or body of water, beyond that required under any relevant and applicable law or statutory enactment at the time of remediation.

Temporary visit

A single continuous visit taking place for an uninterrupted period of time not exceeding 6 months.

Territorial limits

In respect of **Sub-Section 3A – Public Liability**

The **United Kingdom** and elsewhere in the World, other than the United States of America or Canada or any territory within their jurisdictions, but only in respect of **temporary visits** in the course of the **business**, to such territories, by **employees** of the **insured**.

In respect of **Sub-Section 3B – Employers Liability**

The **United Kingdom** and elsewhere in the World, but only in respect of **temporary visits** in the course of the **business**, to such territories, by **employees** of the **insured**.

Exclusions to Section 3 Liability

The indemnity provided under this Section and any extensions or endorsements will not apply to or include liability arising from:-

1) Data Protection

Compensation, damages, losses, costs, expenses, fines, penalties or any other sum arising out of breach of privacy rules or legislation including the Data Protection Act 2018, whether the liability of the **Insured** arises directly or indirectly.
This exclusion does not apply to the cover provided by the Data Privacy and Protection Cover Section

This exclusion does not apply to the Employers' Liability Section.

2) Known Prior Circumstances

Circumstances which the **Insured** or person insured knew or ought to have known was likely to give rise to a **Claim** prior to the inception date of this policy.

3) Liquidated Damages

Liquidated damages clauses, penalty clauses, performance warranties or similar provision in a contract unless it is proven that liability would have attached in the absence of such clauses, warranties or similar provisions.

4) Punitive Damages

Any award of punitive or exemplary damages including fines, penalties, multiplication of compensatory awards or damages or in any other form whatsoever.

Sub-section 3a – Public Liability

Operative clause

The **company** will subject to the terms, conditions, extensions, exclusions and **endorsements** contained in this **policy**, indemnify the **insured** up to the **limit(s)** stated in the **schedule**, in respect of:

a) all sums that the **insured** will become legally liable to pay as damages for accidental:

1) **Bodily injury**;

2) **Property damage**;

occurring during the **period of insurance**, within the **territorial limits**, in connection with the **business** and in addition to the limit(s) shown in the schedule will pay:

b) claimants costs and expenses in connection with **Operative Clause** a) of this Sub-section.

c) costs and reasonable expenses, incurred by or with the prior written consent of the **company**, in connection with **Operative Clause** a) of this Sub-section.

d) all reasonable legal costs and expenses incurred with the prior written consent of the **company** for representation of the **insured** at:

1) any Coroner's Inquest or Fatal Accident Inquiry in respect of any death;

2) proceedings in any court of summary jurisdiction arising out of any alleged breach of statutory duty resulting in **bodily injury**

which is or may be the subject of indemnity under this Sub-section.

Provided that in respect of any one **occurrence** the following will apply:

i) the total amount payable by the **company** under this Sub-section (including all extensions and memoranda) will not exceed the **limit(s)** stated in the **schedule**;

ii) where the **company** is required to indemnify more than one party, the total amount payable under this Sub-section will not exceed the **limit(s)** stated in the **schedule**.

iii) all **insureds** under this **policy** will be treated together as one party or single legal entity, so that there will only be two parties to the contract of insurance, namely the **company** and the first named **insured**.

iv) in respect of any claims brought in the United States of America or Canada or any territory within their jurisdictions, all costs and expenses specified in **Operative Clauses** b) and c) of this Sub-section are included within the **limit** stated in the **schedule**.

Extensions – sub-section 3A

Subject otherwise to the terms, conditions and exclusions of this **policy**, in so far as they can apply, the **company** will provide indemnity in respect of the following extensions and provided that the liability of the **company** under each extension will not exceed the **limit** stated in an extension or the **schedule** where applicable.

1) Contingent motor liability

Notwithstanding exclusion 8) a) of this Sub-section, the **company** will indemnify the **insured** (which for the purposes of this extension means the **insured** named in the **schedule**) against legal liability for **bodily injury** to any person and / or **property damage** arising out of the use, in the course of the **business**, of any mechanically propelled vehicle not the property of nor provided by the **insured**.

Provided that this indemnity will not apply to legal liability:

a) in respect of loss of or damage to such vehicle or to property conveyed within the vehicle;

b) arises whilst the vehicle is being driven by the **insured** or any person who, to the knowledge of the **insured** or his representative, does not hold a licence to drive such vehicle, unless such person has held and is not disqualified from holding or obtaining such a licence;

c) in respect of which the **insured** is entitled to indemnity under any other insurance; or

d) arising outside the **United Kingdom**;

for which the **insured** is obliged to effect insurance by virtue of compulsory insurance as is required by the Road Traffic Act 1988 or the Road Traffic (Northern Ireland) Order 1981 or any subsequent amending legislation.

2) Defective Premises Act

The **company** will indemnify the **insured** in respect of any liability which the **insured** as previous owners may incur, by virtue of the Defective Premises Act 1972 or the Defective Premises (Northern Ireland) 1974, or any similar or amending legislation in connection with any premises which have been disposed of by the **insured** and which prior to such disposal, were occupied by the **insured**, in connection with the **business**.

Provided that the indemnity under this extension will not cover:

a) any liability for **incidents** happening prior to such disposal;

b) the cost of repairing, replacing or reinstating any defect giving rise to such liability or for the rectification of faulty workmanship.

3) Financial loss

The **company** will indemnify the **insured** against all such sums the **insured** become legally liable to pay as damages and costs and expenses of claimants in respect of financial loss.

Provided that;

a) indemnity will only apply to loss sustained by a tenant of the **insured** if such loss is a direct result of the failure of the **insured** to provide property or any ancillary service;

b) any claim is first made in writing to the **insured** during the **period of insurance** and is notified to the **company** during the same **period of insurance** or within 30 days after the expiry of the same **period of insurance**;

c) the liability of the **company** will not exceed £250,000 any one claim and in total for all claims during any one **period of insurance**;

d) the **insured** will be liable for the first 10% of all damages and claimants costs and expenses payable in respect of each claim made against the **insured** subject to the **insured** being liable for a minimum contribution of £10,000 and a maximum contribution of £25,000 in respect of each claim;

e) the indemnity by this extension will not apply to legal liability caused by or arising out of:

i) **bodily injury** to any person;

ii) **property damage**;

iii) nuisance, trespass, obstruction, loss of amenities or interference with any right of way, air, light or water or other easement;

iv) arising under contract whether by virtue of express agreement or otherwise;

v) the actual cost or reduction or diminution in value of any property;

vi) fines, penalties or liquidated damages or payment to any statutory authority arising out of enforcement of any statutory requirement or duty;

vii) libel, slander, defamation of character, deceit or injurious falsehood, infringement of patent, copyright, design or trademark or trade name, discrimination, harassment or advertising injury;

viii) financial loss sustained by any employee arising out of or in the course of employment by the insured;

ix) breach of professional duty or service;

x) any error or omission in estimates or advice given by or on behalf of the **insured** in a professional capacity;

xi) any error or omission in any design, plans, drawings, specifications for which a fee is charged or would normally be charged;

xii) property in the custody or under the control of the **insured** or any **employee** or failure to return such property;

xiii) the storage processing or transmission by or on behalf of the **insured** of computer data;

xiv) delay, non-delay or non-delivery;

xv) any act of fraud or dishonesty by the **insured** or any **employee**;

xvi) any circumstance know to the **insured** at or prior to inception of this extension which may give rise to a claim for financial loss;

xvii) any loss outside the **United Kingdom**;

xviii) liability where legal action or litigation is brought in a Court of Law outside England and Wales or where action or litigation is brought in a Court of Law within those territories, to enforce a foreign judgement or arbitration award, whether by way of a reciprocal agreement or otherwise;

xix) any cause giving rise to financial loss happening before the Retroactive Date specified in the **schedule**.

4) Legionellosis

Notwithstanding the provisions of exclusion 5) of this sub-section, the insurance by this sub-section extends to include the **insured's** legal liability in respect of **bodily injury** to any person other than an **employee** arising out of the release of legionella bacteria happening in connection with the **business** and occurring within the **United Kingdom**.

Provided that:

a) any claim for damages, costs and expenses; or

b) any notification of any circumstance which;

i) has caused or is alleged to have caused **bodily injury**;

ii) can be reasonably expected to give rise to a claim which may be the subject of an indemnity provided by this extension

is first made in writing to the **insured** during the **period of insurance** and is notified to the **company** during the same **period of insurance** or within 30 days after the expiry of the same **period of insurance**; and

a) the **insured** takes all reasonable precautions to comply with the Health and Safety Commission approved Code of Practice and Guidance entitled Legionnaires Disease The Control of Legionella Bacteria in Water Systems LB 2000 or any subsequent Health and Safety Commission publication;

b) the liability of the **company** will not exceed £1,000,000 any one **occurrence** and in total in respect of all **occurrences** during any one **period of insurance**;

c) this extension will not apply to claims first made against the **insured** because of **bodily injury**

arising

out of the release of legionella bacteria committed or alleged to have been committed prior to the Retroactive Date shown in the **schedule**.

5) Libel and slander

Notwithstanding the provisions of exclusion 5) of this sub-section, the insurance by this sub-section extends to include the **insured's** legal liability in respect of any act of libel or slander committed or uttered by the **insured** solely in respect of the **insured's** advertising or in-house and trade publication material prepared by the **insured**.

Provided that:

a) the liability of the **company** will not exceed £250,000 any one claim and in total for all claims during any **period of insurance**;

b) the **insured** will be liable for the first 10% or £1,000 of each claim whichever is the higher;

c) the insurance by this extension will not apply if there is a more specific insurance in place covering libel and slander;

d) any claim is first made in writing to the **insured** during the **period of insurance** and is notified to the **company** during the same **period of insurance** or within 30 days after the expiry of the same **period of insurance**.

6) Member to member liability

In respect of the **insured's** canteen, sports, social and welfare activities and the activities of any sports or social club associated with the **insured**, it is agreed that if any claim arising out of such activities is made upon any member of the **insured**, by any other such member or other person and the claim is such that if made upon the **insured**, the **insured** would be entitled to indemnity under this **policy**, the **company** will, subject to the terms, conditions and exclusions of this **policy**, indemnify the said member in respect of such claim.

For the purposes of this indemnity guests and voluntary helpers will be deemed to be members. Provided that:

a) such member is not entitled to indemnity under any other **policy** or policies;

b) such member must as though he were the **insured**, observe, fulfil and be subject to the terms exclusions and conditions of this **policy**.

7) Obstructing vehicles

In the event of a mechanically propelled vehicle causing an obstruction to the extent of interfering with the carrying out of the **business**, then notwithstanding exclusion 8) a) of this sub-section, the **company** will indemnify the **insured** in respect of legal liability for **bodily injury** or **property damage** arising from the movement of such vehicle by the **insured**.

Provided that:

a) such movement is limited to the minimum necessary to clear the obstruction; and

b) this extension will not apply where an indemnity is provided by any motor insurance contract or where compulsory motor insurance is required by law or where there is more specific insurance **policy** applying.

8) Overseas personal liability

The **company** will indemnify the **insured** under this sub-section, and at the request of the **insured**, any director, partner or **employee** or any spouse or any child of any such person, against legal liability arising from **bodily injury** or **property damage** arising from personal activities whilst temporarily outside the **United Kingdom** in connection with the **business**.

However, this indemnity will not apply in respect of any liability:

a) arising out of the ownership or occupation of land or buildings;

b) in respect of **pollution** occurring anywhere in the United States of America or Canada or any territory within their jurisdiction;

c) arising from the ownership, possession or use under the control of the **insured** or any party seeking indemnity under this extension of any mechanically propelled vehicle, trailer, aircraft or other aerial devices, hovercraft or watercraft of any size;

d) in respect of which, there is any other insurance or indemnity in favour of any party seeking indemnity under this extension.

Provided that:

i) such persons are ordinarily resident in the **United Kingdom**;

ii) such persons will observe, fulfil and be subject to the terms of this **policy**, so far as they can apply;

iii) nothing in this extension will increase the liability of the **company** to pay any amount in excess of the **limit**.

iv) Such temporary engagement or visit doe not excess six (6) consecutive months in duration

9) Sudden and accidental pollution

Notwithstanding the provisions of exclusion 4) to this Sub-section, the **company** will indemnify the **insured** against legal liability in respect of **injury** or **property damage** caused solely by a **pollution incident**.

Provided that:

a) all **pollution**, which arises out of any one incident, will be deemed to have occurred at the time such incident takes place;

This extension does not apply to any judgment, award or settlement made within countries which operate under the laws of the United States of America or Canada or to any order made anywhere in the world to enforce such judgment, award settlement either in whole or in part.

b) the **insured** has taken all practical precautions to prevent **pollution**

c) if **injury** or **property damage** or the entire event giving rise to the **injury** or property **damage** did not occur during the **period of insurance**.

d) this extension does not apply to or include legal liability for **damage** to premises presently or at any time previously owned or tenanted by the **insured** or **damage** to land or water within the boundaries of or below any land or premises presently or at any time previously owned or leased by the **insured**.

In addition the **company** will indemnify the **insured** against liability for **remediation costs**.

However, the indemnity provided for **remediation costs** will not:

i) include **remediation costs** in or on any site watercourse or body of water owned, leased or rented by the **insured**;

ii) include the cost of reinstatement or reintroduction of flora or fauna;

iii) override any provisos already applying to this extension;

iv) cover the costs incurred by the **insured** or for which they become legally liable to pay, in order to curtail or minimise **pollution** once it has occurred except that this extension will indemnify the **insured** in respect of which the **Insured** is legally liable in accordance with the requirements of the Environmental Damage (Prevention and Remediation) Regulations 2009 or any superseding or replacing legislation or regulation.

The limit under this extension is the limit stated in the schedule against Sub-section 3A and nothing in this extension will increase the liability of the company to pay any amount in excess of this limit.

Exclusions –sub-section 3A

The indemnities provided under this Sub-section and any extensions or **endorsements** will not apply to or include liability:

1) arising as a result of the deliberate, conscious or intentional disregard by any of the **insured's** directors or managerial or supervisory Employees of the need to take all practical steps to prevent Injury or Damage.
2) in respect of **bodily injury** to any **employee** arising out of and in the course of employment by the **insured**, or any liability arising out of any workers' compensation or any similar legislation anywhere in the world.;
3) arising from or in connection with;
   a) advice;
   b) designs;
   c) formulae;
   d) specifications;
   e) professional services

   provided solely for a fee;
4) in respect of pollution;
5) arising out of libel, slander, defamation of character, deceit or injurious falsehood, discrimination, harassment or advertising injury;
6) in respect of:
   a) fines, penalties or liquidated damages;
   b) compensation ordered or awarded by a Court of Criminal Jurisdiction;
   c) aggravated exemplary or punitive damages awarded by any court outside the **United Kingdom**.
7) for any occurrence in respect of any **airside liability**;
8) arising from or out of the ownership possession or use by or on behalf of the **insured** of any:
   a) mechanically propelled vehicle or mobile plant other than legal liability arising out of:
      i) the use of plant as a tool of trade on site;
      ii) the use of plant at the **premises** of the **insured**;
      iii) the loading or unloading of any vehicle, trailer or container;
      iv) the unauthorised movement on the **insured's premises** or contract site.

      Provided that:
      a. indemnity is not provided by any motor insurance contract;
      b. compulsory motor insurance is not required by law;
      c. there is not more specific insurance applying;
   b) aircraft or aerospatial device;
   c) hovercraft or hydrofoil;
   d) water-borne craft, other than:
      i) hand propelled or sailing craft in inland territorial waters;
      ii) water-borne craft not owned by the **insured** but used by the **insured** for business entertainment;
      iii) mechanically propelled water borne craft not exceeding 22 feet in length in inland or territorial waters.

      Provided that there is not more specific insurance applying.
9) for or arising from loss of or damage to any property which, at the time of the occurrence giving rise to such legal liability, is owned by or held in trust by or in the custody or control of the insured other than:
   a) **employees**', directors', partners', guests', customers', clients' or visitors' personal effects including vehicles and their contents;
   b) premises, including fixtures, fittings and contents not owned by or leased to or rented to the

insured, where the **insured** is undertaking work in connection with the **business**;

c) premises and their fixtures, fittings hired, leased, rented or lent to the **insured** other than loss or damage in circumstances where liability is assumed by the **insured** under a tenancy or other agreement and would not have attached in the absence of such agreement;

d) any vehicle, craft, container or railway rolling stock, including contents and accessories not owned by or leased to the **insured**, for the purpose of or whilst being loaded or unloaded by the **insured**;

10) for property damage to that part of any property on which the **insured** or any servant or agent of the **insured** is or has been working.

11) the amount of any **deductible** stated in the schedule.

Conditions – Sub-section 3A

1) **Housing Grants, Construction and Regeneration Act 1996**

The **insurer** shall not be bound by any adjudication made under the Housing Grants, Construction and Regeneration Act 1996 following a request for adjudication made by or to the **insured**.

Sub-section 3B – Employers' Liability

Operative clause

The **company** will, subject to the terms conditions, exclusions, extensions and **endorsements** contained in this **policy**, indemnify the **insured** up to the **limits** stated in the **schedule** in respect of:

1) all sums that the **insured** becomes legally liable to pay:
   a) as damages for **bodily injury** to any **employee** of the **insured** arising out of and in the course of employment with the **insured**, caused during the **period of insurance**, in connection with the **business**, within the **territorial limits**;
   b) in respect of associated claimants costs and expenses.
2) costs and reasonable expenses, incurred by or with the written consent of the **company**, in connection with Operative Clause 1) of this Sub-section.
3) all reasonable legal costs and expenses incurred with the written consent of the **company** for representation of the insured at:
   a) any Coroner's Inquest or Fatal Accident Inquiry in respect of any death;
   b) proceedings in any court of summary jurisdiction arising out of any alleged breach of statutory duty resulting in **injury**.

   Provided that in respect of any one **occurrence**, the following will apply:
   i) the total amount payable by the **company** in respect of Operative Clause 1) and all costs and expenses specified in Operative Clauses 2) and 3) of this Sub-section (including all extensions and memoranda) will not exceed the **limit** stated in the **schedule**;
   ii) where the **company** is required to indemnify more than one party, the total amount payable under Operative Clause 1) and all costs and expenses specified in Operative Clauses 2) and 3) of this Sub-section will not exceed the **limit** stated in the **schedule**.

The cover granted only applies to such liability:

(a) **United Kingdom**

as is compulsorily insurable under the Employers' Liability (Compulsory Insurance) Act 1969 as amended and any corresponding legislation applicable in Northern Ireland, the Isle of Man, the Island of Guernsey, the Island of Jersey and the Island of Alderney, except as specially extended by this Sub-Section. Where the Policy Exclusions, Policy Conditions, Sub section Exclusions and subsection Conditions would operate to provide less cover than is compulsory under the above Act, then this Sub-Section is extended to provide the cover compulsorily insurable subject always to the Limit of Liability stated in the Schedule.

(b) **Work Overseas**

as would otherwise be covered under the United Kingdom section above but for injury caused to an employee whilst temporarily engaged in non-manual work anywhere else in the world.

Provided that:

(i) such employee is ordinarily resident within the United Kingdom;

(ii) the insurer shall not provide cover in respect of any amount payable under Workmen's Compensation, Social Security or Health Insurance legislation;

(iii) such temporary work does not exceed six (6) consecutive months in duration.

All **insureds** under this **policy** will be treated together as one party or single legal entity so that there will only be two parties to the contract of insurance, namely the **company** and the first named **insured**.

Exclusions – sub-section 3B

The indemnity provided by **Sub-section 3B – Employers' Liability** will not apply to any legal liability:

1) where the insured is required to arrange and maintain compulsory motor insurance or security for any motor vehicle or trailer or in accordance with road traffic act legislation in respect of **bodily injury** to any **employee** of the **insured**, happening during any **period of insurance**, in connection with the **business**, within the territorial limits.

2) any work on and/or visits to any offshore rig and/or installation and/or platform from the time of embarkation onto a conveyance at the point of final departure to such offshore rig and/or installation and/or platform until disembarkation from the conveyance from such offshore rig and/or installation and/or platform.

Extensions – sub-section 3B

Subject otherwise to the terms, conditions and exclusions of this **policy**, in so far as they can apply, the **company** will provide indemnity in respect of the following extensions and provided that the liability of the **company** under each extension will not exceed the **limit** stated in the **schedule**.

1) Injuries to partners

In respect of **bodily injury** to any partner named in the **schedule**, the **company** will, for the purpose of this Sub-section, deem that person to be an **employee**.

Provided that:

a) the injuries are sustained whilst that person is working in connection with the **business**;

b) the injuries are caused by another partner or **employee** whilst working in the **business**;

c) the injured partner has a valid right of action in negligence, against the partner or **employee** responsible for such injury.

2) Unsatisfied court judgments

In the event of:

a) any **employee** or personal representative of any **employee** being awarded damages by any court in the **United Kingdom** for which a third party is liable, in respect of injury arising out of and in the course of the **employee's** employment or engagement by the **insured**;

b) caused during the **period of insurance**;

c) remaining unsatisfied in whole or in part six months after the date of such judgment,

the **company** will pay to the **employee** or the personal representatives of the **employee**, at the request of the **insured**, the amount of any such damages and any awarded costs to the extent that they remain unsatisfied, provided that:

i) there is no appeal outstanding against such judgment; and

ii) if any payment is made under the terms of this extension, the **employee** or the personal representatives of the **employee** will assign the judgment to the **company**.

Extensions applicable to sub-sections 3A – Public Liability and 3B – Employers Liability

Subject otherwise to the terms, conditions and exclusions of this **policy**, the **company** will provide indemnity in respect of the following extensions and provided that the liability of the **company** under each extension will not exceed the **limit(s)** stated in that extension or any other **limits** stated in the **schedule** where applicable;

1) Compensation for court attendance

In the event of any director or partner or **employee** attending court as a witness at the request of the **company** in connection with a claim in respect of which the **insured** is entitled to indemnity under this section, the **company** will provide compensation to the **insured** at the following rates per day for each day on which attendance is required:

a) any director or partner of the **insured** £750;

b) any other **employee** £250.

2) Cross liabilities

If the **insured** comprises more than one party, the **company** will provide indemnity to each such **insured**, in the same manner and to the same extent, as if a separate **policy** had been issued to each, provided that the cumulative total amount payable to all such **insureds** will not exceed the **limit(s)** stated in the **schedule**.

3) Indemnity to principals

To the extent that any contract or agreement entered into by the **insured** with any **principal** so requires, the **company** will, subject to the **limit(s)** stated in the **schedule**:

a) indemnify the **insured** against liability assumed by the **insured**; and

b) indemnify the **principal** in like manner to the **insured** in respect of the liability of the **principal** arising out of the performance by the **insured** of such contract or agreement.

Provided that:

i) the conduct and control of claims is vested in the **company**;

ii) the **principal** observes, fulfils and is subject to the terms, exclusions, conditions and endorsements of this policy;

iii) indemnity under this extension, in respect of **Sub-section 3A – Public Liability** will not apply to liability in respect of liquidated damages or to liability under any penalty clause;

iv) the indemnity granted under **Sub-section 3B – Employers Liability** will only apply in respect of liability to any person who is an **employee**.

Indemnity to any **principal** will only apply in respect of liability for which the **insured** named in the **schedule** would have been entitled to indemnity if the claim had been made directly against the **insured**.

For purposes of this extension the term **principal** includes, any partner, co- venturer, subsidiary or affiliated or parent company to the **principal** but only to the extent that the contract between the **principal** and the **insured** requires these additional parties to be indemnified in a like manner to the **insured**.

4) Contractual Liability

In respect of liability assumed by the **insured** by a contract or agreement entered into by the **insured** and which would not have attached in the absence of such contract or agreement, the indemnity provided by this **section** shall only apply if the sole conduct and control of any claim is vested in the **company**.

Provided that the **company** shall not in any event indemnify the insured:

a. in respect of liquidated damages or fines or damages imposed by or payable under any penalty clause.

b. In respect of injury, loss or damage caused by or arising from products where:

i. any liability attaches to the **insured** solely under the terms of an agreement other than

a) under any warranty of goods implied by law

b) under any indemnity clause in any agreement between the **insured** and any independent carrier in respect of injury, loss or damage caused by products entrusted to such carrier for transit by road, rail or waterway

ii) any product installed or incorporated in any craft designed to travel in or through air or space and which to the **insured's** knowledge was intended to be installed or incorporated in any such craft.

Prosecution Defence Costs applicable to Section 3 - Liability

Additional definitions

The following words will have the same meaning wherever they appear in this section of the **policy** or in the **schedule** or any endorsement relating to this section. To help identify these words they will appear in bold in the section wording. Please also refer to the **General definitions**.

Applicable legislation

a) Health and Safety at Work etc. Act 1974 including the Control of Substances Hazardous to Health Regulations 2002 concerning the risk from exposure to legionella;

b) Management of Health and Safety at Work Regulations 1999;

c) Corporate Manslaughter and Corporate Homicide Act 2007;

d) Health and Safety Inquiries (Procedure) Regulations 1975;

e) Protection from Harassment Act 1997;

f) Part II of the Consumer Protection Act 1987 and Part II of the Food Safety Act 1990; or

similar legislation in force in the **territorial limits**.

Appointed advisor

The solicitor, accountant, mediator or other suitably qualified person, who has been appointed to act for an **insured person** in accordance with the terms of this section.

Costs and expenses (this definition replaces the general definition of costs and expenses for this section only)

Reasonable legal costs, fees and disbursements reasonably and proportionately incurred by the appointed advisor on the standard basis and agreed in advance by the **company**.

Insured person

a) The **insured** and their directors, partners, managers, officers and the **employees** of the **insured's** business.

b) The estate, heirs, legal representatives or assigns of any persons mentioned in a) in the event of the person dying.

c) Any other person who is contracted to perform work for **you**, who in all other respects **you** have arranged to insure on the same basis as **your** other **employees** and who performs work under **your** supervision.

Reasonable prospects of success

In criminal prosecution claims where the **insured person**:

a) pleads guilty, a greater than fifty per cent chance of the **insured person** successfully reducing any sentence or fine;

b) pleads not guilty, a greater than fifty per cent chance of that plea being accepted by the court.

Standard basis

The basis of assessment of costs where the court only allows recovery of costs which are proportionate to the claim and which have been reasonably incurred.

Insuring clause

The **company** will pay the **insured person's costs and expenses** up to £1,000,000 in total (but up to the **sum insured** shown in the **schedule** for the Corporate Manslaughter and Corporate Homicide Act 2007); during the **period of insurance** for all claims related by time or original cause including the cost of appeals, for:

a) the defence of any criminal proceedings brought against the **insured** for an offence or breach, whether actual or alleged, of any **applicable legislation**;

b) any prosecution costs awarded against the **insured** arising from those proceedings described in a) above;

c) **costs and expenses** incurred with the **company's** consent for the **insured's** legal representation at an inquiry ordered under any applicable legislation;

d) appeals against improvement and prohibition notices incurred with the **company's** consent.

Provided that:

1. the claim arises in connection with **your business** and occurs within the **territorial limits**;
2. the claim always has **reasonable prospects of success**;
3. the prosecution or proceedings relate to an offence alleged to have been committed during the **period of insurance.**

Conditions

Included here are the conditions of the insurance under this section that the **insured** needs to meet as their part of this policy. If the **insured** does not meet these conditions, the **company** may need to reject a claim or a claim payment could be reduced.

1. Acts of parliament, statutory instruments, civil procedure rules and jurisdiction

All legal instruments and rules referred to within this section of the policy include equivalent legislation in Scotland, Northern Ireland, the Isle of Man and the Channel Islands and any later amendment or replacement legislation.

2. Consent

The **insured person** must agree to the **company** having sight of the **appointed advisor's** file relating to the **insured person's** claim. The **insured person** is considered to have provided consent to the **company** or their appointed agent to have sight of the **appointed advisor's** file for auditing and quality and cost control purposes.

3. Freedom to choose an appointed advisor

a) The **company** will choose the **appointed advisor**; however, the **insured person** is free to choose an **appointed advisor** if they wish.

b) Where the **insured person** wishes to exercise their right to choose, they must write to the **company** (by e-mail, fax or letter) with their preferred representative's contact details. If the **insured person** does choose their own **appointed advisor**, the amount payable for their services will be on the basis of the **company's** standard terms of appointment for legal representation or other reasonable terms of appointment to which the **company** agrees, their agreement not to be unreasonably withheld.

c) If the **insured person** dismisses the **appointed advisor** without good reason, or withdraws from the claim without the **company's** written agreement or if the **appointed advisor** refuses with good reason to continue acting for the **insured person**, cover will end with immediate effect.

4. Barrister's opinion

At any time the **company** may seek an independent barrister's opinion as to the **reasonable prospects of success** in defending the prosecution.

If the opinion is that a "not guilty" plea does not have a **reasonable prospect of success** then the company will advise the insured of that opinion.

Should the **insured** elect to continue with a "not guilty" plea then the **company** will withdraw their support for the **insured person's** defence and be under no further obligation to cover the **insured** for any costs incurred from the date of **your** refusal to accept that opinion, unless the **insured** obtain an independent barrister's opinion at their own expense which contradicts the opinion that the **company** have obtained, in which case the **company** will ask the chairperson or vice-chairperson of the bar council to appoint a King's Counsel to give a final opinion, at **our** expense, as to the prospects of success in defending the prosecution.

If the opinion of the King's Counsel agrees with the **insured person's** barrister's opinion then the **company** will continue to support the **insured person's** defence, but if it does not the **company** will withdraw their support for the **insured person** and be under no further obligation to cover the **insured person's** costs incurred from the date of the King's Counsel's final opinion.

This does not affect the **insured person's** right under the Arbitration clause contained within the Claims Conditions section.

5. The insured person's responsibilities

An **insured person** must:

a) tell the **company** as soon as is practicably possible of anything that may make it more costly or difficult for the **appointed advisor** to resolve a claim in their favour;

b) cooperate fully with the **company**, 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 recover **costs and expenses** and pay them to the **company**; and

d) keep **costs and expenses** as low as reasonably possible.

Exclusions

The **company** will not be liable under this section for any claim arising from or relating to:

1. **Costs and expenses incurred without consent**

   Costs and expenses incurred without the consent of the **company**;

2. **Fines & penalties**

   Fines or penalties of any kind;

3. **Prior losses**

   Any actual or alleged act, omission or dispute happening before, or existing at the start of the **policy**, and which the **insured person** knew or ought reasonably to have known could lead to a claim; and

4. **Legal expenses insurance**

   Costs and expenses incurred as a result of any criminal proceedings, appeals or inquiries which arise independently of any legal liability the **insured** may have to pay damages.

Section 4 – Contents of Communal Areas

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. Please also refer to the General Definitions section.

Contents of communal areas

Furniture, carpets, rugs and all other property belonging to the insured or for which the insured is responsible in or on the stairs halls and other communal areas of the block of flats, but not the contents of individual flats themselves.

Negotiable money

Cash, bank or currency notes, uncrossed cheques, uncrossed giro cheques, travellers cheques, uncrossed postal orders, uncrossed banker's drafts, uncrossed money orders, uncrossed postal orders, bills of exchange, current postage stamps, uncrossed giro drafts, National Insurance stamps not affixed to cards, National Savings stamps, holiday with pay stamps, luncheon vouchers, gift tokens and consumer redemption vouchers.

Non-negotiable money

Securities, share certificates, crossed cheques, crossed postal orders, crossed banker's drafts, crossed money orders, crossed postal orders, crossed giro cheques, National Insurance stamps, fixed unused units in franking machines, National Savings certificates, Premium Bonds, credit and debit cards, sales vouchers or receipts and VAT purchase invoices.

Section 4 – Operative clause

The **company** agrees, subject to the terms, conditions, extensions, exclusions, provisions and **endorsements** contained in this **policy**, that in the event of **damage** during the **period of insurance**, the **company** will indemnify the **insured** for **damage** to **contents of communal areas** or at the **company's** option, reinstate or replace such **contents of communal areas** or any part of it.

Provided that:

a) the liability of the **company** under this **section** does not exceed the **sum insured** stated in the **schedule**;

b) the insurance by this section does not cover:

- i) landlords fixtures and fittings more specifically insured under **Section 1 Buildings**;
- ii) jewellery, precious stones, gold and silver articles, precious metals, bullion, watches, furs, rare books, explosives or non-ferrous metals;
- iii) **negotiable money** or **non-negotiable money** (other than as covered in extension 2 of this section;
- iv) livestock including but not limited to horses, cattle, sheep, pigs, poultry and eggs;
- v) vehicles licensed for road use, (including accessories thereon) caravans, trailers, railway locomotives, rolling stock, watercraft, aircraft or spacecraft;
- vi) property in individual **flats** or **private dwelling houses**;
- vii) any one curio or work of art valued in excess of £10,000
- viii) property in the open;
- ix) property which is insured by another **policy**.
- x) growing crops trees or plants other than cover provided under the extension of cover to **Section 1 – Buildings** – **Landscaping**;
- xi) property in transit, other than cover provided under the extension of cover to **Section 1 – Buildings** – **Temporary Removal**, provided that the **damage** within that extension is not caused by or happening through defective or inadequate packing;
- xii) **damage** to property, which at the time of the happening of the **damage**, is insured by or would but for the existence of this **policy** be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this **policy** not been effected;
- xiii) **damage** to any property more specifically insured by or on behalf of the insured.

Basis of Settlement

If the **contents of communal areas** are **damaged** by a cause not otherwise excluded, then the **company** will pay the full cost of replacing the articles that suffer **damage** as new, provided that the **sum insured**, when the contents of communal areas are **damaged**, is sufficient to replace them as new.

Section 4 – Extensions

Unless otherwise stated in the **schedule** or by **endorsement**, the following extensions to this section will apply, subject always to the terms, conditions, exclusions, and provisions of this **policy**, and provided that the liability of the **company** under each extension will not exceed the **sum insured** specified in the **schedule** or **limit(s)** shown in such extension.

1) Glass

The insurance by this section is extended to include accidental breakage of:

a) fixed glass, other than in pictures or clocks;

b) fixed glass in mirrors;

c) fixed glass table tops and glass shelves.

2) Money

Loss from any cause of **negotiable money** or **non-negotiable money** held by members of the management committee of the residents' association for the benefit of the **block of flats**, individual flat owners or **private dwelling houses**.

Provided that:

a) cover only applies whilst in any locked safe or locked drawer in any **flat** in the **block of flats** or private dwelling house within a housing development;

b) cover only applies whilst in transit within the **territorial limits**, up to a maximum amount of £1,000;

c) the insurance by this extension does not include loss arising from:

   i) fraud or dishonesty, unless such loss is discovered within 14 days of the **occurrence**;

   ii) from unattended vehicles;

   iii) resulting from accounting or clerical errors;

d) the liability of the **company** will not exceed:

   i) £2,500 any one occurrence; and

   ii) £5,000 in total for all losses during any one **period of insurance**.

3) Gardening equipment

The insurance by this section is extended to include cover for **damage** to landlords' gardening equipment whilst in any locked outbuilding at the block of flats or housing development.

Provided that the **company** will not be liable for:

a) theft when entry is not gained or exit made by forcible or violent means;

b) any amount in excess of £10,000 any one **occurrence**.

Section 4 – Conditions

Flat Felt Roof Condition

If any Building has a felt roof where the mineral felt surface has not been replaced for 10 years, then this roof must be inspected once every twelve (12) months prior to the month of October by a roofing contractor who is a member of the National Federation of Roofing Contractors or similar professional association. Evidence of such inspection and any resulting completed remedial work shall be provided to the Company if requested.

Section 4 – Exclusions

This section does not cover:

1. Gradually operating causes and other risks

Damage directly or indirectly caused by or consisting of:

a) gradual deterioration, frost, wear and tear;

b) inherent vice, latent defect or the **property insured's** own faulty or defective design or materials;

c) change in water table level except in respect of subsidence, ground heave or landslip;

d) faulty or defective workmanship, operational error or omission on the part of the **insured** or any of the **insured's employees**;

e) the correction of defects in design or any costs and expenses associated therewith;

f) collapse or cracking of **buildings** or structures, unless resulting from a **defined peril** and not otherwise excluded;

g) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds;

h) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects;

i) change in temperature, colour, flavour, texture or finish but this will not exclude;

   i) such **damage** not otherwise excluded which itself results from a **defined peril**;

   ii) subsequent **damage** which itself results from a cause not otherwise excluded.

2. Pollution and contamination

Damage caused by **pollution** (including but not limited to **pollution**) or contamination but this will not exclude **damage** to **property insured** not otherwise excluded caused by:

a) pollution (including but not limited to **pollution**) or contamination which itself results from a **defined peril**; or

b) a **defined peril** which itself results from **pollution** (including but not limited to **pollution**) or contamination

3. Fraud or disappearance

Damage caused by or consisting of:

a) acts of fraud or dishonesty by the **insured** or by any director, partner or **employee** of the **insured**;

b) disappearance or unexplained loss of inventory, shortage, misfiling or misplacing of information or shortages due to error or omission;

c) the voluntary parting with title or possession of any **property insured** if induced by any fraudulent scheme, trick, device or false pretence.

4. Property in the open

Damage in respect of;

a) moveable property in the open, fences and gates;

b) open sided **buildings** or **property insured** within;

c) caused by wind, rain, hail, sleet, snow, sand, dust, flood or freezing other than in respect of the items covered by the extension of cover to **Section 1 – Buildings** – **Temporary Removal.**

5. Processes

Damage caused by or consisting of:

a) fire resulting from the **property insured** undergoing any heating process or any process involving the application of heat; or

b) (other than by fire or explosion) resulting from the **property insured** undergoing any process of production, packing, treatment, testing, commissioning, servicing or repair.

6. Consequential loss

a) consequential loss of any kind or description; or

b) fines, liquidated damages, penalties for delay or detention or in connection with guarantees of performance or efficiency or loss of use or any other form of consequential loss not specifically provided for.

7. Marine impact

Damage caused by or arising from impact to any **property insured** by any waterborne vessel or craft.

8. Settlement

Damage:

a) caused by or consisting of the bedding down of new structures or by the settlement or movement of made- up ground or by coastal or river erosion;

b) caused by subsidence, ground heave or landslip, which commenced prior to the inception of this cover;

c) caused by or consisting of subsidence, ground heave or landslip to roads, driveways, yards, footpaths, car-parks or forecourts, unless **damage** is caused to the **buildings** (where **buildings** will have the same definition as provided for in **Section 1 – Buildings**, except that, for the purposes of this **exclusion** only, it will not include sub-paragraphs d), e), f), g) and h) of that definition) by the same cause and at the same time.

9. Boiler explosion

damage caused by or consisting of the bursting of a boiler, economiser, vessel, machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the **insured**, other than a boiler used for domestic purposes only but this will not exclude subsequent **damage** which itself results from a cause not otherwise excluded.

10. Machinery or electrical breakdown (looking to embed Machinery Damage/Breakdown cover)

damage caused by or consisting of:

a) 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; or

b) mechanical or electrical breakdown or derangement of the particular machine, apparatus or equipment in which such breakdown or derangement originates

but this will not exclude:

i) such **damage** not otherwise excluded which itself results from a **defined peril**;

ii) subsequent **damage** which itself results from a cause not otherwise excluded.

Section 5 – 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 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.

If a word below is also defined in the **General Definitions** section at the front of this **policy**, the definition below replaces that definition for the purposes of this section.

Appointed adviser

The

a) solicitor, accountant, or other advisor (who is not a mediator), appointed by **us** to act on behalf of the **insured**;

b) 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**.

Collective Conditional Fee Agreement

A legally enforceable agreement entered into on a common basis between the **appointed advisor** and **us** to pay their professional fees on the basis of either

a) 100% "no-win no-fee" or

b) where discounted that a discounted fee is payable.

Conditional Fee Agreement

A legally enforceable agreement between **you** and the **appointed advisor** for paying their professional fees on the basis of either

a) 100% "no-win no-fee" or

b) where discounted that a discounted fee is payable.

Employee

A worker who has or alleges they have entered into a contract of service with **you**.

Insured

a) **You**, **your** directors, partners, managers, officers and **employees** of **your business**.

b) 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.

Insured Property

a) **Your business** premises.

b) Property owned by **you** which is let or which **you** intend to let to tenants for **business** or residential purposes.

c) Property owned by **you** which is let or which **you** intend to let to guests as holiday accommodation for leisure purposes under the terms of a written agreement.

Which is shown in the **schedule** to which this **policy** attaches and is located in England, Scotland, Wales or Northern Ireland.

Insurer

ARAG Legal Expenses Insurance Company Limited.

Legal Costs & Expenses

a) 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.

b) 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.

c) Reasonable accountancy fees reasonably incurred under Part B, Insured event 4) Tax disputes by the **appointed advisor** and agreed by **us** in advance.

d) Health and Safety Executive Fees for Intervention.

e) **Your employee's** basic wages or salary under Part B, Insured event 8) 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.

f) The reasonable cost of phone calls, postage (including special delivery), image scanning, photocopying or credit reports incurred under Part B, Insured event 10)c) where the **insured** has taken advice from **our** Executive suite - identity theft resolution helpline.

g) The professional fees and expenses of an **appointed advisor** selected by **us** to reduce the actual adverse or negative publicity or media attention under Part B, Insured events 10)e) Executive suite and 11) Crisis communication.

Reasonable Prospects Of Success

a) Other than as set out 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.

b) 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.

c) 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.

Tenancy Agreement

An agreement to let **your insured property**:

a) under an assured shorthold tenancy; or

b) under an assured tenancy; as defined by the Housing Act 1988 as amended by the Housing Act 1996 and the Assured Tenancies (Amendment) (England) Order 2010; or

c) under a Scottish private residential tenancy as defined by the Private Housing (Tenancies) (Scotland) Act 2016; or

d) under a short-assured tenancy or assured tenancy as defined by the Housing (Scotland) Act; or

e) in accordance with the Private Tenancies (Northern Ireland) Order 2006; or

f) to a limited company or business partnership for residential purposes by its **employees**.

Territorial Limit

a) For Part A, the United Kingdom.

b) For Part B, Insured event 5) Legal defence, the United Kingdom, Channel Islands, Isle of Man, Norway, Switzerland, and countries in the European Union.

c) For all other Insured events under Part B, 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 **business** or person named in the **schedule**, including any subsidiary and/or associated companies declared to **us**, and/or any person or **business** appointed as an agent of the named **business** or person to manage the letting of **insured property** to the extent that any such agent has acted on behalf of the person or **business** named in the **schedule**.

Section 5 – 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 UK tenancy law, business-related legal matters within UK, Isle of Man, Channel Islands 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 Part B Insured event 10) 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. This service is available 24 hours a day, 365 days of the year.

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 Part B, Insured event 11) 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.

Landlords' and Business legal services
www.araglegal.co.uk

Getting started

Register on the website using the voucher codes shown below to access digital law guides and create legal documents and letters.

- Register for Landlords' documents using voucher code **EC426C378CB8**.
- Register for Business documents using voucher code **X1232KC79BB5**.

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.

Section 5 – 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) Where **you** are claim under Part A, **you** must have correctly issued the necessary notices informing **your** tenant of **your** intention to repossess the **insured property**. (Section 8 and Section 21 notices to repossess residential property can be downloaded from **our** Landlords' legal services website).

3) If an **insured** instructs their own solicitor or accountant without telling **us**, they will be liable for costs that are not covered by this section of the **policy**.

4) A claim can be made online at www.arag.co.uk/newclaims. Alternatively an insured can obtain a claim form by downloading one at www.arag.co.uk/newclaims or by calling ARAG on 0330 303 1955 between 9am and 5pm weekdays (except bank holidays).

5) The completed application and supporting documentation can be submitted online or send to ARAG by email, or post. Further details are set out on ARAG's website.

What happens next?

1) **We** will send the **insured** an 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 this section of the **policy**, **we** will contact the **insured** either:

   a) confirming cover under the terms of this section of the **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(s) why, and advise whether **we** can assist in another way.

3) When a representative is appointed by **us**, 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.

Section 5 – Operative clause

This section of the **policy** has two parts:

- Part A covers **you** for legal disputes that arise from owning or letting out **your insured property**.
- Part B relates to other legal matters arising from **your** business.

Following an Insured event, the **insurer** will pay **legal costs & expenses** including the cost of appeals (and compensation awards under Part B, Insured event 2) Employment compensation awards), up to the policy limits stated below subject to all of the following requirements being met.

1) The **insured** keeps to the terms of this section of the **policy** and cooperates fully with **us**.
2) Unless otherwise stated in this section of the **policy**, the Insured events shown in Part B arise in connection with **your business**.
3) The Insured event 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.

   Where **you** have a disagreement with a tenant of **your insured property**, **you** must notify **us** within 60 days of first becoming aware of the dispute.
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 application.

This section of the **policy** will pay any otherwise covered claim involving the use of or inability to use a computer, including devices such as smart phones, tablets and wearable technology. This cover is subject to all other **policy** terms.

Policy Limits

The most the **insurer** will pay for all claims related by time or originating cause including the cost of appeals shall be limited to the following:

Insured events Part A:

- £50,000

Insured events Part B:

- £100,000 for Insured events 1) to 9), 10)a), b) and c).
- £25,000 for Insured events 10)d), 10)e) and 11).

In respect of Part B, Insured event 2) Employment compensation awards, the most the **insurer** will pay for all claims notified to **us** during any one **period of insurance** is £1,000,000.

Section 5 – Insured events covered

Part A – Your insured property

1) Property damage, nuisance & trespass

a) An event which causes physical damage to **your insured property** and/or anything owned by **you** at **your insured property**.

Provided that if the **insured property** is used as holiday accommodation:

i) **you** can provide a detailed inventory of its condition and contents which has been signed by **your** guest(s) and

ii) a dilapidations deposit has been paid in cash or payment has cleared in **your** bank account.

b) A public or private nuisance or a trespass relating to **your insured property**.

What is not covered under Property damage, nuisance & trespass

a) The first £250 of any claim in respect of Part A, Insured event 1)b) except where **you** bring a claim against a person who is living at **your insured property** without **your** permission (i.e. squatters). **You** will have to pay this as soon as we accept **your** claim.

b) Any claim arising from or relating to:

i) damage or loss arising from a contract between **you** and a third party who is not:

- **your** tenant or ex-tenant; or
- a guest or guests staying at **your insured property** that **you** have let out as holiday accommodation

ii) the compulsory purchase of, or demolition, restrictions, controls or permissions placed on land or property by any government, local or public authority

iii) a dispute with any party other than the party who caused the damage, nuisance or trespass

iv) any nuisance or trespass claim in respect of Part A, Insured event 1)b) that arises from a contract, lease, licence or **tenancy agreement** between **you** and the third party (including trespass by **your** ex-tenant).

2) Repossession of residential property

Pursuit of **your** legal rights to repossess **your insured property** that has been let under a **tenancy agreement** provided **you**:

a) have demanded rent in writing from **your** tenant as soon as it is overdue and can provide evidence of this

b) have given the tenant the correct notices for the repossession of **your insured property**

c) are seeking a right of possession in England, Wales or Scotland where the court MUST find that the named ground of possession applies or

d) have a legal right to repossess **insured property** that has been let in accordance with the Private Tenancies (Northern Ireland) Order 2006.

What is not covered under Repossession of residential property

Any claim in England, Wales and Scotland where **you** are seeking a right of possession where the court MAY find that the named ground of possession applies.

3) Commercial lease disputes

Pursuit or defence of **your** legal rights arising from a dispute with **your business** tenant under the terms of a written lease agreement in relation to **your insured property** which is:

a) granted under the Landlord & Tenant Act 1954 provided that where the dispute arises from or relates to renewal of **your** lease agreement or the granting of a new **business** tenancy:

i) **you** will be opposing **your** tenant's right to renew the tenancy under Section 30(1) of the Landlord and Tenant Act 1954; and

ii) **you** can evidence that **you** have served the correct legal notice to terminate on the tenant in the prescribed form before **your** tenant has served **you** with a request for a new tenancy, or

b) contracted out of the Landlord & Tenant Act 1954 provided that:

i) **you** have correctly served the necessary legal notice on **your** tenant and
ii) **your** tenant has made the relevant declaration and
iii) the lease is noted accordingly.

What is not covered under Commercial lease disputes

Any dispute that arises from or relates to a disagreement with **your** tenant over payment or non-payment of service charges; or recovery of rent arrears that is otherwise covered by Part A, Insured event 4)

4) Recovery of rent arrears

Pursuit of **your** legal right to recover rent owed to **you** by:

a) **your** residential or **business** tenant or ex-tenant of **insured property**

b) a guest or guests staying at **your insured property** which is used as holiday accommodation.

5) Holiday homes contract disputes

A dispute that arises from:

a) a written agreement which **you** have entered into to let out **your insured property** as holiday accommodation that is not otherwise covered by Part A, Insured events 1) Property damage, nuisance & trespass or 4) Recovery of rent arears

b) a contract **you** have entered into to buy or hire goods or services for the **insured property** which **you** have let or intend to let to guests as holiday accommodation.

What is not covered under Holiday homes contract disputes

Any claim arising from or relating to:

a) goods or services which exceed £6,000 (including VAT) in value

b) loans and mortgages

c) an employment contract

d) a settlement due under an insurance policy.

Part B – Your business

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 this section of 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 Employment

Any claim arising from or relating to:

a) the pursuit of an action by **you** other than an appeal against the decision of a court or tribunal

b) 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**

c) costs **you** incur to prepare for an internal disciplinary hearing, grievance or appeal

d) 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 Part B, 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 Employment compensation awards

a) Money due to an **employee** under a contract or a statutory provision relating thereto.

b) Compensation awards or settlements relating to

i) trade union membership, industrial or labour arbitration or collective bargaining agreements

ii) 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 Tax disputes

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 **your** financial arrangements

d) any enquiry that concerns assets, monies or wealth outside of the United Kingdom

e) **your** failure to register for VAT.

5) 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 Legal defence

Any claim relating to a parking offence.

6) 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** can evidence that **you** have in place a process to:

- investigate complaints from data subjects regarding a breach of their privacy rights
- 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 section of the **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 Compliance & regulation

Any claim arising from or relating to:

a) the pursuit of an action by **you** other than an appeal

b) a routine inspection by a regulatory authority

c) an enquiry, investigation or enforcement action by HMRC

d) a claim brought against **your business** where unlawful discrimination has been alleged.

7) 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**.

What is not covered under Statutory licence appeals

Any claim relating to a licence or registration scheme affecting **your insured property**.

8) 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 Loss of earnings

Any sum which can be recovered from the court.

9) Personal injury

An event that causes bodily injury to, or the death of, an **insured**.

What is not covered under Personal injury

Any claim arising from or relating to a condition, illness or disease which develops gradually over time.

10) 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 11) 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 Executive suite

a) Any claim arising from or relating to:

   i) 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

   ii) an investigation by the Fraud Investigation Service of HMRC

   iii) circumstances where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to the executive's financial arrangements

   iv) any enquiry that concerns assets, monies or wealth outside of the United Kingdom

   v) a parking offence

   vi) costs incurred in excess of £25,000 for a claim under 10) d) and 10) e).

b) Crisis communication for a matter that has not actually resulted in adverse publicity appearing online, in print or broadcast.

11) 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 Crisis communication

Any claim arising from or relating to:

a) matters that should be dealt with through **your** normal complaints procedures

b) a matter that has not actually resulted in adverse publicity appearing online, in print or broadcast

c) costs incurred in excess of £25,000.

Section 5 – Exclusions

What is not covered by Part A of this section

1) Any disagreement with a tenant of an insured property during the first 90 days of the first **period of insurance** where the **tenancy agreement** started before the start of this cover except where **you** have had equivalent cover in force up until the start of this **policy**.
2) Registering, assessing or reviewing rent, rent control, land tribunals or matters that fall under the jurisdiction of the Property Chamber of the First-tier Tribunal.
3) Any claim arising from or relating to an **insured property** owned by **you** which has been or which should have been registered as a House of Multiple Occupation.

What is not covered by Part B of this section

The **insured** is not covered for any claim arising from or relating to:

1) defending a claim in respect of damages for personal injury (other than injury to feelings in relation to Part B, Insured event 1) Employment)
2) National Minimum Wage and/or National Living Wage Regulations
3) patents, copyright, passing-off, trade or service marks, registered designs and confidential information (except in relation to Part B, Insured event 3) Employment restrictive covenants).

What is not covered (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, 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, breach of international sanctions, fraud or any other financial crime activities

    except in relation to Part B, Insured event 11) Crisis communication
4) defending a claim in respect of loss or damage that has been caused to **your** property
5) a dispute with any subsidiary, parent, associated or sister company or between shareholders or **business** partners (except in relation to mediation under Part B, Insured event 10) d))
6) a) a franchise agreement
    b) an agency agreement through which one party has the legal capacity to alter the legal relations of the other
7) a judicial review
8) a dispute with **us**, the **insurer** or the party who arranged this cover not dealt with under Condition 6
9) pressure waves from aircrafts or other aerial devices travelling at sonic or supersonic speed
10) The payment of fines, penalties or compensation awarded against the **insured** (except as covered under Part B, Insured event 2) Employment compensation awards); or costs awarded against the **insured** by a court of criminal jurisdiction.

Section 5 – 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 in the **insured**'s favour

b) cooperate fully with **us**, give the **appointed advisor** any instructions **we** require, and keep them updated with the 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:

i) a suitably qualified advisor considers that it has become necessary to issue proceedings or proceedings are issued against an **insured**, or

ii) there is a conflict of interest

the **insured** may choose a qualified **appointed advisor** 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.

f) In respect of pursuing a claim **you** must enter into a **conditional fee agreement** (unless the **appointed advisor** has entered into a **collective conditional fee agreement**) where legally permitted.

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 section of the **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 the 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) Arbitration

If any dispute between the **insured** and **us** arises from this section of the **policy**, the **insured** can make a complaint to **us** as described under **How to make a complaint** and **we** will try to resolve the matter. If **we** are unable to satisfy the **insured**'s concerns and the matter can be dealt with by the Financial Ombudsman Service the **insured** can ask them to arbitrate over the complaint.

If the dispute cannot be dealt with by the Financial Ombudsman Service, it can be referred for independent arbitration to a qualified person agreed upon by both parties. The loser of the dispute shall be liable to pay the costs incurred.

If **we** and the **insured** fail to agree on a suitable person to arbitrate the matter, **we** will ask the President of the relevant Law Society to nominate. The arbitration shall be subject to the Arbitration Acts and the arbitrator's decision shall be binding on the parties.

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 section of the **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, accurate 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 the 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 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

In addition to the Cancellation conditions as set out under the **General Conditions** section, the **insurer** may also cancel the **policy** and refund the premium for the remaining **period of insurance** if at any time **you**:

a) enter into a voluntary arrangement or a deed of arrangement or

b) become bankrupt, are placed into administration, receivership or liquidation or

c) have **your** affairs or property in the care or control of a receiver or administrator.

10) Acts of parliament, statutory instruments, civil procedure rules & jurisdiction

All legal instruments, bodies and rules referred to within this section of the **policy** shall include the equivalent in Wales, Scotland, Northern Ireland, the Isle of Man and the Channel Islands and any subsequent amendment or replacement. This section of the **policy** will be governed by English law.

Section 5 – ARAG 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**.

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 section of the **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.

Data Protection and Privacy Cover

This cover operates on a claims-made basis. This means that the **company** will only provide cover for claims or circumstances made against the **insured** and notified to the **company** during the **period of insurance**.

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. Please also refer to the **General Definitions** section.

Costs and expenses

a) All cost and expenses incurred by the **insured** with the written consent of the **company** for any claim against the **insured** which may be covered under this endorsement.

b) Claimants costs and expenses arising for any claim against the **insured** which may be covered under this **policy**.

GDPR

General Data Protection Regulation and any enabling data protection legislation.

Insuring clause

The **company** will cover the **insured** for their liability to pay compensation including **costs and expenses** directly arising from a claim made against the **insured** for breach of the **GDPR**, Section 13 of the Data Protection Act 1998 or any amending legislation, caused in connection with the business during the **period of insurance**.

Provided that the claim is first made against the **insured** and notified to the **company** during the **period of insurance**.

Limit of Liability

The **company** will pay up to £250,000 (two hundred and fifty thousand pounds sterling) for all claims made including **costs and expenses** during the period of insurance.

Conditions

Included here are the conditions of the insurance under this section that the insured needs to meet as their part of this policy. If the **insured** does not meet these conditions, the **company** may need to reject a claim or a claim payment could be reduced.

1. a) For the purposes of this Data Protection and Privacy cover, any Other Insurance clause contained in this **policy** will not apply and will instead be replaced by either b) or c) as shown below, as may be applicable:

   b) The **company** will have no liability to pay any sum under this additional cover if cover for that sum is payable under another **policy** issued to the **insured** by the **company** (or would be but for the exhaustion of the limit of liability or the application of the excess amount under that other **policy**).

   c) If the liability which is being claimed for under this additional cover is covered by any other insurer the **company** will not pay more than their proportionate share.

2. The **insured** must:

   a) have in place an appropriate procedure to detect, report and investigate a personal data breach;

   b) offer suitable redress where a data breach has occurred;

   c) only make a claim under this Data Protection and Privacy cover where a) and b) above have been complied with.

Exclusions

The **company** will not cover any claim arising from or relating to:

1. compensation, costs or expenses covered by any legal expenses insurance;
2. the costs of rectifying, rewriting, replacing, reinstating or erasing personal data as defined in the **GDPR**;
3. the payment of fines or penalties;
4. refund of monies paid to the **insured** by any claimant;
5. liability arising solely because the **insured** did not comply with their legal obligations set out under the **GDPR**;
6. any cover relating to the Data Protection Act 1998 which may have applied or does apply to a previous or concurrent **policy** which is referenced under a DIC/DIL (Difference in Cover / Difference in Limits) clause or similar, which is in excess of the cover available under this **Data Protection and Privacy Cover** section;
7. any actual or alleged act, omission or dispute happening before, or existing at the start of this Data Protection and Privacy cover, and which the **insured** knew or ought reasonably to have known could lead to a claim;
8. any deliberate act by the **insured** or any director, partner or **employee** of the **insured**;
9. indirect or consequential loss of any kind.

General Conditions

These are the conditions of the cover and apply throughout your policy. There may be additional conditions under each section of cover and in any attaching endorsements.

If these conditions are not met by the insured, the company may reject a claim or a claim payment could be reduced. In some circumstances this policy may not be valid.

1) **Cancellation**

a) The **insured** has a statutory right to cancel this policy within 14 days from:

- the day of purchase or renewal of the contract; or
- the day on which the **insured** receives this policy or their renewal documentation,

whichever is the later.

If the **insured** wishes to cancel and the insurance cover has not yet begun, the **insured** will be entitled to a full refund of the premium paid. Alternatively, if the **insured** wishes to cancel and the insurance cover has already started, provided the **insured** have not made a claim, the **insured** will be entitled to a refund of the premium paid, less a proportional deduction for the time the **company** have provided cover.

The **insured** can exercise this right by telephoning their insurance agent or by writing (by e-mail or letter) to their insurance agent.

If the insured does not exercise their right to cancel this **policy**, it will continue in force and the insured will be required to pay the premium

For cancellation outside of this statutory cooling off period the **insured** can cancel this insurance at any time by telephoning their insurance agent or by writing (by e-mail or letter) to their insurance agent.

If this insurance is cancelled outside the statutory cooling off period, provided the **insured** has not made a claim and there has not been an event that could give rise to a claim, the **insured** will be entitled to a refund of any premium paid, less a deduction for any time for which the **insured** has been covered. This will be calculated on a proportional basis. For example, if the **insured** have been covered for 6 months, the deduction for the time the **insured** have been covered will be half the annual premium.

Provided that any return of premium is subject to:

a) the application of any Minimum Premium; and

b) no claim having been made during the **period of insurance**; and

c) written confirmation from the **insured** that there are no known circumstances likely to give rise to a claim.

b) The **company** may cancel the policy or any section by giving 30 days' notice in writing by registered letter to the **insured** at their last known address and in this case the **insured** will be entitled to a proportionate return of premium for the unexpired term of the policy (other than in circumstances where the **company** invoke the fraudulent claims condition or a claim has been made).

Where a claim has been made during the current **period of insurance**, the full annual premium will still be payable despite cancellation of cover and the **company** reserve the right to deduct this from any claim payment immediately, subject to the requirements of the Consumer Credit Act 1974 if applicable.

c) The **company** may cancel the policy immediately, subject to the requirements of the Consumer Credit Act 1974 where if applicable the **insured** has applied to pay the premium by instalments and an instalment is not received by the due date. In these circumstances the **insured's** credit agreement will also be cancelled immediately.

This **policy** will be cancelled with immediate effect, if after the start of this insurance:

i) the **insured's business** is wound up or carried on by a liquidator, receiver or administrator or permanently discontinued;

ii) the **insured's** interest ceases, otherwise than by death.

2) **Reasonable precautions**

The **insured** will:

a) take reasonable precautions to:

i) prevent any circumstances or to cease any activity which may give rise to liability under this policy; and

ii) maintain all buildings, furnishings, ways, works, machinery, plant and vehicles in sound condition; and

b) as soon as possible after discovery, cause any defect or danger in respect of products, buildings, fittings, furnishings, plant, or machinery to be made good or remedied and in the meantime will cause such additional precautions to be taken as the circumstances may require.

3) Remedies for breach of fair presentation

Before this policy was entered into the **insured** had a duty to make a fair presentation of the risk which the **insured** wished to insure. This applies prior to the start of your policy, if any variation is required during the period of insurance and prior to each renewal.

If the **insured** has breached their duty to make a fair presentation of the risk to the **company** before this policy was entered into, then:

a. where the breach was deliberate or reckless, the **company** may avoid this **policy** and refuse all claims, and keep all premiums paid;

b. where the breach was neither deliberate nor reckless, and but for the breach:

i) the **company** would not have agreed to provide cover under this **policy** on any terms then the **company** may avoid this **policy** and refuse all claims, but will return any premiums paid;

ii) the **company** would have agreed to provide cover under this **policy** but on different terms (other than premium terms) then the **company** may require that this **policy** includes those different terms with effect from its start; and/or

iii) the **company** would have agreed to provide cover under this **policy** but would have increased the premium, or would have increased it by more than they did, or would not have reduced it or would have reduced it by less than they did:

a. if the discovery of the breach arose because of a claim, the company may reduce proportionately the amount paid on a claim arising out of events after the variation. In those circumstances, the company will pay only Y% of what the company would otherwise have been required to pay, where Y = total premium actually charged divided by the premium that would have been charged x 100

b. If the discovery of the breach did not arise because of a claim, the insured must pay to the company the additional premium that the company would have charged, but for the breach of the duty of fair presentation, calculated from the date the variation was entered into.

If the discovery of the breach did not arise because of a claim the **insured** must pay to the **company** the additional premium that the **company** would have charged, but for the **insured's** breach of the duty of fair presentation, calculated from the start of the period of insurance.

Before a variation was agreed

If the **insured** has breached **their** duty to make a fair presentation of the risk to the **company** before any variation to this **policy** was agreed, then:

a) If the breach was deliberate or reckless, the **company** may terminate this **policy** with effect from the date of the variation, and keep all premiums paid;

b) where the breach was neither deliberate nor reckless, and but for the breach:

i) the **company** would not have agreed to the variation on any terms then the **company** may treat this **policy** as though the variation was never made, but will return any additional premiums paid in relation to the variation;

ii) the company would have agreed to the variation but on different terms (other than premium terms) then the **company** may require that the variation includes those different terms with effect from the date the variation was made; and/or

iii) the **company** would have agreed to the variation but would have increased the premium, or would have increased it by more than they did, or would not have reduced it or would have reduced it by less than they did:

a. if the discovery of the breach arose because of a claim, the **company** may reduce proportionately the amount paid on a claim arising out of events after the variation. In those circumstances, the **company** will pay only Y% of what the **company** would otherwise have been required to pay, where Y = total premium actually charged divided by the premium that would have been charged x 100

b. If the discovery of the breach did not arise because of a claim, the **insured** must pay to the **company** the additional premium that the **company** would have charged, but for the breach of the duty of fair presentation, calculated from the date the variation was entered into.

iv) where the **company** would have agreed to the variation but on different terms and would **also** have increased the premium, or would have increased it by more than they did, or would not have reduced it or would have reduced it by less than they did

a. the **company** may require that the variation includes those different terms with effect from the date the variation was made; and

b. before a variation was agreed b) iii) as shown above will also apply.

4) Statutory regulations

In respect of any vessel, machinery or apparatus or its contents belonging to or under the control of the **insured**, which requires to be examined to comply with any statutory regulations, it is a condition precedent to cover against destruction or damage caused by an explosion that such service vessel machinery or apparatus is the subject of a **policy** or other contract providing the required inspection service.

5) Survey

The **company** or a representative of the **company** is permitted to undertake a survey of **premises** and will produce a survey report for the **company.**

a. Between the start of this **policy** and the production of the survey report, **policy** terms, conditions and exclusions remain unaltered.

b. In the event that the survey report is unsatisfactory to the **company**, the **company** will have the right to:

i) amend this **policy's** terms, conditions, or exclusions and or require completion of risk improvements issued in writing by the **company** within a defined period; or

ii) terminate this **policy** by serving not less than 30 (thirty) days' notice in writing to the **insured** at the address stated in the **schedule** and also to the **insured's** insurance agent.

If the **company** elects to change the terms in accordance with b) i) above, then the **insured** may:

a. terminate this **policy** within 30 days of receipt of the revised terms by giving notice in writing to the **company**; or

b. continue this **policy** at the revised terms for the remainder of the **period of insurance**;

or

c. In the event of termination of this **policy** under this condition:

i) premium is due to the **company** on a pro rata basis for the period that the **company** is on risk; or

ii) when the premium for the **period of insurance** has been paid to the **company**, the **insured** will be entitled to pro rata return of premium for the unexpired **period of insurance**

General Exclusions

This **policy** does not cover the following:

1. **Asbestos** (Not applicable to **section 3 – Liability**, **sub-section 3B - Employers Liability**)

Liability caused by or arising from the actual, alleged or suspected presence or release of **asbestos** or exposure to or inhalation of **asbestos**.

2. Cyber **(Not applicable to section 3 – Liability, sub-section 3B - Employers Liability)**

a) 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) 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.

For the purposes of this exclusion**, data** shall mean 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**.

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

This clause 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.

3. **Date recognition**

Damage caused by, contributed to or arising from the failure of equipment (including hardware and software) to correctly recognise any given date or to process **data** or to operate properly due to failure to recognise any given date.

But **we** will cover resulting **damage** not otherwise excluded, providing **damage** is covered elsewhere in the policy.

For the purposes of this exclusion**, data** shall mean 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**.

4. **Deductible or Excess**

The **deductible or excess** shown in **your schedule**.

5. **Mould**

Loss, cost or expense arising out of, resulting from or in any other manner related to **fungal pathogens**, whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

6. **Northern Ireland - civil commotion**

Civil commotion in Northern Ireland. **Damage** is excluded regardless of any other cause, event or intervention that contributes concurrently or in any sequence to the **damage**.

7. **Radioactive contamination chemical biological bio-chemical and electromagnetic weapons**

Any loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:-

i) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component there of

iii) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

iv) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes

v) any chemical, biological, bio-chemical, or electromagnetic weapon.

When applying to Section 3 – Liability, Sub-Section 3B – Employers' Liability this exclusion will only apply to an **employee** when the **insured** has, under a contract of agreement agreed to:

i) cover another party; or

ii) assume the liability of another party,

for bodily injury.

8. Terrorism (Not applicable to section 3 – Liability, sub-section 3B - Employers Liability)

Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from 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.

This clause 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 the **company** alleges 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 the **insured**.

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

This exclusion does not apply to **Section 3 – Liability, Sub-section 3B - Employers' liability** to the extent that it is necessary to comply with the minimum requirements of the law in the United Kingdom, relating to compulsory insurance of liability to **employees** and provided that the maximum limit for any one loss or series of losses arising from one source or original cause will not exceed £5,000,000.

9. War

Notwithstanding any provision to the contrary within this policy it is agreed that this cover excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

1. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
2. confiscation, nationalisation, requisition, destruction of or damage to property by or under the order of any government (de facto or de jure) or public or local authority.

This clause 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 1 and/or 2 above.

If the **company** alleges 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 the **insured**.

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

10. Biological or Chemical **(Not applicable to section 3 – Liability, sub-section 3B - Employers Liability)**

This **policy** 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.

11. Communicable Disease **(Not applicable to section 3 – Liability, sub-section 3B - Employers Liability)**

Any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable 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**.

For the purposes of this clause, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:

1. for a **communicable disease**, or
2. any property insured hereunder that is affected by such **communicable disease**.

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

--- END ---

Arranged by

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