



# Policy Wording

Terrorism



**Touchstone**  
Underwriting

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**TERRORISM**  
**in the**  
**UNITED KINGDOM**  
**insurance at Lloyd's**

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## 1. INSURING CLAUSE

### Section 1 – Property Damage

In consideration of the payment of the premium to Underwriters by the Insured and subject to the exclusions, conditions and limitations set forth herein, this section of this Policy indemnifies the Insured for its ascertained Net Loss for those sums stated within the Schedule attaching and forming part of this Policy against:

- 1.1 Physical loss or physical damage occurring during the Policy Period to the Insured Property directly caused by one or more of the following perils, being the Insured Events:
  - a. Act of Terrorism;
  - b. Sabotage.
  
- 1.2 Expenses incurred by the Insured in the removal from the Insured Location of debris of Insured Property as declared damaged by any one or more of the Insured Events. The cost of removal of such debris shall not be considered in determination of the valuation of the Insured Property.

### Section 2 – Business Interruption

Please refer to the Schedule to establish what You are covered for.

#### A. Gross Profit

In consideration of the premium paid, and subject to the exclusions, conditions and limitations of this Policy and also to the following additional conditions, exclusions and limitations, this Policy is extended to cover loss resulting from necessary interruption of business, relating only to the premises affected by the Insured Events or series of Insured Events, caused by direct physical loss or physical damage by the Insured Events or series of Insured Events, as covered by this Policy to Insured Property, other than where coverage is specifically provided for under the Policy extensions herein.

In the event of such direct physical loss or physical damage or where coverage is specifically provided for under the Policy extensions herein Underwriters shall be liable for the actual loss sustained by the Insured resulting directly from such necessary interruption of business, but not exceeding the Sum Insured stated in the Schedule due to:-

- a) reduction in Turnover;
- and
- b) increase in cost of working;

and the amount payable as indemnity thereunder shall be:

- i) in respect of reduction in Turnover, the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of an Insured Events or series of Insured Events fall short of the Standard Turnover,
- ii) in respect of increase in cost of working, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of an Insured Events or series of Insured Events but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided,

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less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Profit as may cease or be reduced in consequence of an Insured Events or series of Insured Events.

Provided that if the Sum Insured by this section be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

Due consideration shall be given to the continuation of Normal charges and expenses, including payroll expenses, to the extent necessary to resume operations of the Insured with the same operational capability as existed immediately before the loss.

### **Additional Conditions**

#### 1. Direct Damage

No claim shall be payable under this section unless and until a claim has been paid, or liability admitted, in respect of direct physical loss or physical damage by an Insured Events or series of Insured Events to Insured Property under this Policy to which this section is attached and which gave rise to interruption of business.

This condition shall not apply if no such payment shall have been made, or liability admitted, solely owing to the operation of a Deductible in said Policy which excludes liability for losses below a specified amount.

#### 2. Resumption of Operations

If the Insured could reduce the loss resulting from the interruption of business,

a) by complete or partial resumption of operation of the property,

and/or

b) by making use of merchandise, stocks (opening or closing), or any other property at the Insured's locations or elsewhere,

and/or

c) by using or increasing operations elsewhere,

then such possible reduction shall be taken into account in arriving at the amount of loss hereunder.

#### 3. Expenses to Reduce Loss

This section also covers such expenses as are necessarily incurred for the purpose of reducing loss under this section (except expenses incurred to extinguish a fire), and, in respect of manufacturing risks, such expense, in excess of Normal, as would necessarily be incurred in replacing any finished stock used by the Insured to reduce loss under this section; but in no event to exceed the amount by which loss under this section is thereby reduced. Such expenses shall not be subject to the application of any contribution clause.

#### 4. Valuation

All amounts and accounting details to be calculated using the Insured's usual generally accepted accounting standards.

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**Exclusions**

This section DOES NOT cover:

1. increase in loss resulting from interference at the insured premises, by strikers or other persons, with rebuilding, repairing or replacing the property or with the resumption or continuation of operation.
2. increase in loss caused by the suspension, lapse, or cancellation of any lease, licence, contract, or order, unless such results directly from the insured interruption of business, and then Underwriters shall be liable for only such loss as affects the Insured's profits during, and limited to, the Indemnity Period covered under this Policy.
3. loss of market or any other consequential loss except as specifically insured herein.
4. loss as a result of physical or mental or bodily injury to any person.

**Limitations**

1. Underwriters shall not be liable for more than the smaller of either:
  - a) any specific business interruption Sum Insured stated in the Schedule,
  - or
  - b) the Sum Insured stated in the Schedule, where such includes business interruption, if such is a combined limit,in respect of such loss, regardless of the number of locations suffering an interruption of business as a result of any one Occurrence.
2. With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by an Insured Events or series of Insured Events, the length of time for which Underwriters shall be liable hereunder shall not exceed:
  - a) 30 consecutive calendar days or the time required with exercise of due diligence and dispatch to reproduce the data thereon from duplicates or from originals of the previous generation, whichever is less; or,
  - b) the length of time that would be required to rebuild, repair or replace the hardware and other property herein described as has been damaged or destroyed, but not exceeding twelve (12) calendar months,whichever is the greater length of time.

## Definitions

1. Indemnity Period

The period beginning with the date of an Insured Events or series of Insured Events and ending not later than twelve (12) months thereafter or as stated in the Schedule during which the results of the business shall be affected in consequence of the Insured Events or series of Insured Events.

2. Turnover

The money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the business at the premises of the Insured.

3. Gross Profit

The amount by which

a) the sum of the amount of the Turnover and the amounts of the closing stock and work in progress

shall exceed

b) the sum of the amounts of the opening stock and work in progress and the amount of the Specified Working Expenses.

The amount of the opening and closing stocks and work in progress shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

4. Specified Working Expenses

a) Purchases and discounts relative thereto.

b) Bad debts.

The words and expressions used in the definition of Specified Working Expenses shall have the meaning usually attached to them in the books and accounts of the Insured.

5. Rate of Gross Profit

The Rate of Gross Profit earned on the Turnover during the financial year immediately before the date of an Insured Events or series of Insured Events\*\*

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6. Annual Turnover

The Turnover during the twelve months immediately before the date of an Insured Events or series of Insured Events\*\*

7. Standard Turnover

The Turnover during the period in the twelve months immediately before the date of an Insured Events or series of Insured Events which corresponds with the Indemnity Period \*\*

\*\* to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the date of the Insured Events or series of Insured Events or which would have affected the business had the Insured Events or series of Insured Events not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Insured Events or series of Insured Events would have been obtained during the relative period after the Insured Events or series of Insured Events.

8. NORMAL

The condition that would have existed had no loss occurred.

**B. Gross Earnings**

In consideration of the premium paid, and subject to the exclusions, conditions and limitations of this Policy and also to the following additional conditions, exclusions and limitations, this Policy is extended to cover loss resulting from necessary interruption of business, relating only to the premises affected by the Insured Events or series of Insured Events, caused by direct physical loss or physical damage by the Insured Events or series of Insured Events, as covered by this Policy to Insured Property, other than where coverage is specifically provided for under the Policy extensions herein.

In the event of such direct physical loss or physical damage, or where coverage is specifically provided for under the Policy extensions herein, Underwriters shall be liable for the actual loss sustained by the Insured resulting directly from such necessary interruption of business, but not exceeding the reduction in Gross Earnings, as defined hereafter, less charges and expenses which are not necessary during the interruption of business, for a period not to exceed the lesser of:

(a) such length of time as would be required, with the exercise of due diligence and dispatch, to repair, rebuild or replace such part of the property as has been destroyed or damaged,

or

(b) twelve (12) calendar months or as stated in the Schedule,

commencing with the date of such direct physical loss or damage and not limited by the expiration of this Policy.

Due consideration shall be given to the continuation of Normal charges and expenses, including payroll expenses, to the extent necessary to resume operations of the Insured with the same operational capability as existed immediately before the loss.

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**Additional Conditions**

1. Direct Damage

No claim shall be payable under this section unless and until a claim has been paid, or liability admitted, in respect of direct physical loss or damage by an Insured Event or series of Insured Events to Insured Property under this Policy and which gave rise to interruption of business.

This condition shall not apply if no such payment shall have been made, or liability admitted, solely owing to the operation of a Deductible in said Policy which excludes liability for losses below a specified amount.

2. Resumption of Operations

If the Insured could reduce the loss resulting from the interruption of business,

(a) by complete or partial resumption of operation of the property,

and/or

(b) by making use of Merchandise, Stock (Raw, in Process or Finished), or any other property at the Insured's locations or elsewhere,

and/or

(c) by using or increasing operations elsewhere,

then such possible reduction shall be taken into account in arriving at the amount of loss hereunder.

3. Valuation

All amounts and accounting details to be calculated using the Insured's usual generally accepted accounting standards.

**Exclusions**

This section DOES NOT cover:

1. increase in loss resulting from interference at the insured premises, by strikers or other persons, with rebuilding, repairing or replacing the property or with the resumption or continuation of operation.
2. increase in loss caused by the suspension, lapse, or cancellation of any lease, licence, contract, or order, unless such results directly from the insured interruption of business, and then Underwriters shall be liable for only such loss as affects the Insured's earnings during, and limited to, the period of indemnity covered under this section.

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3. increase in loss caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any Insured Property hereunder.
4. loss of market or any other consequential loss except as specifically insured herein.
5. loss as a result of physical or mental or bodily injury to any person.

**Limitations**

1. Underwriters shall not be liable for more than any specific business interruption Sum Insured stated in the Schedule, in respect of such loss, regardless of the number of locations suffering an interruption of business as a result of any one Occurrence.
2. With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by an Insured Event or series of Insured Events, the length of time for which Underwriters shall be liable hereunder shall not exceed:
  - (a) 30 consecutive calendar days or the time required with exercise of due diligence and dispatch to reproduce the data thereon from duplicates or from originals of the previous generation, whichever is less; or,
  - (b) the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed, but not exceeding twelve (12) calendar months,

whichever is the greater length of time.

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**Definitions**

1. Gross Earnings

Gross Earnings are for the assessment of premium and for adjustment in the event of loss defined as, the sum of:

- (a) total net sales value of production or sales of Merchandise,
- and
- (b) other earnings derived from the operations of the business.

Less the cost of:

- (c) Raw Stock from which production is derived,
- (d) supplies consisting of materials consumed directly in the conversion of such Raw Stock into Finished Stock, or in supplying the services sold by the Insured,
- (e) Merchandise sold including packaging materials therefor,
- (f) materials and supplies consumed directly in supplying the service(s) sold by the Insured,
- (g) service(s) purchased from outsiders (not employees of the Insured) for resale which do not continue under contract,
- (h) the difference between the cost of production and the net selling price of Finished Stock which has been sold but not delivered.

No other costs shall be deducted in determining Gross Earnings.

In determining Gross Earnings due consideration shall be given to the experience of the business before the date of loss or damage and the probable experience thereafter had loss not occurred.

2. Raw Stock

Material in the state in which the Insured receives it for conversion into Finished Stock.

3. Stock in Process

Raw Stock which has undergone any ageing, seasoning, mechanical or other process of manufacture at the Insured's premises but which has not become Finished Stock.

4. Finished Stock

Stock manufactured by the Insured which in the ordinary course of the Insured's business is ready for packing, shipment or sale.

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5. Merchandise

Goods kept for sale by the Insured which are not the product of manufacturing operations conducted by the Insured.

6. Normal

The condition that would have existed had no loss occurred.

**C. Rental Income**

In consideration of the premium paid, and subject to the exclusions, conditions and limitations of this Policy and also to the following additional conditions, exclusions and limitations, this Policy is extended to cover loss resulting from necessary untenability, relating only to the premises affected by the Insured Events or series of Insured Events, caused by direct physical loss or damage by an Insured Events or series of Insured Events, as covered by this Policy to Insured Property, other than where coverage is specifically provided for under the Policy extensions herein.

In the event of such direct physical loss or damage or where coverage is specifically given for such extensions to coverage, Underwriters shall be liable for the actual loss sustained by the Insured resulting directly from such necessary untenability, but not exceeding the reduction in Rental Income, as defined hereafter, less charges and expenses which are not necessary during the period of untenability, for a period not to exceed the lesser of:

(a) such length of time as would be required, with the exercise of due diligence and dispatch, to repair, rebuild or replace such part of the property as has been destroyed or damaged,

or

(b) twelve (12) calendar months or as stated in the Schedule,

commencing with the date of such direct physical loss or damage and not limited by the expiration of this Policy.

**Additional Conditions**

1. Direct Damage

No claim shall be payable under this section unless and until a claim has been paid, or liability admitted, in respect of direct physical loss or damage by an Insured Events or series of Insured Events to Insured Property under this Policy to which gave rise to loss of Rental Income.

This condition shall not apply if no such payment shall have been made, or liability admitted, solely owing to the operation of a Deductible in said Policy which excludes liability for losses below a specified amount.

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2. Alternative Accommodation

If in the event of damage the property insured are unfit to live in or access is denied, Underwriters will pay:

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

Provided always that the liability of the company shall not exceed 33.33% (thirty three and a third percent) of the buildings sum insured of the property insured which suffered the damage.

3. Resumption of Operations

If the Insured could reduce the loss resulting from untenantability;

- (a) by complete or partial resumption of occupation of the property,  
and/or
- (b) by making use of any other property at the Insured's locations or elsewhere,  
and/or
- (c) by using or increasing operations elsewhere,

then such possible reduction shall be taken into account in arriving at the amount of loss hereunder.

4. Expenses to Reduce Loss

This section also covers such expenses as are necessarily incurred for the purpose of reducing loss under this section (except expenses incurred to extinguish a fire), but in no event to exceed the amount by which loss under this section is thereby reduced. Such expenses shall not be subject to the application of any contribution clause.

5. Valuation

All amounts and accounting details to be calculated using the Insured's usual generally accepted accounting standards.

**Exclusions**

This section DOES NOT cover:

- 1. increase in loss resulting from interference at the insured premises, by strikers or other persons, with rebuilding, repairing or replacing the property or with the resumption or continuation of operation.
- 2. increase in loss caused by the suspension, lapse, or cancellation of any lease, licence, contract, or order, unless such results directly from the insured untenantability, and then Underwriters shall be liable for only such loss as affects the Insured's income during, and limited to, the period of untenantability covered under this section.

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3. increase in loss caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any Insured Property hereunder.
4. loss of market or any other consequential loss except as specifically insured herein.
5. loss as a result of physical or mental or bodily injury to any person.

**Limitations**

Underwriters shall not be liable for more than the smaller of either:

- (a) any specific Rental Income Sum Insured stated in the Schedule,
- or
- (b) the Sum Insured stated in the Schedule, where such includes Rental Income, if such is a combined limit,

in respect of such loss, regardless of the number of locations suffering untenability as a result of any one Occurrence.

**Definitions**

Rental Income

Rental Income is for the assessment of premium and for adjustment in the event of loss defined as the sum of:

- (a) the anticipated gross rental income from tenant occupancy of the described property as furnished and equipped by the Insured, and
- (b) the amount of all charges which are the legal obligations of the tenants and which would otherwise be obligations of the Insured, and
- (c) the fair rental value of any portion of such property which is occupied by the Insured.

In determining Rental Income due consideration shall be given to the rental experience before the date of damage or destruction and the probable experience thereafter had no loss occurred.

## 2. DEFINITIONS

- 1.1 "Act of Terrorism" shall mean an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.
- 1.2 "Non Damage Denial of Access" means an incident occurring during the period of insurance within a one mile radius of the location(s) as described in the Schedule which results in a denial of access or hindrance in access to the business premises, imposed by any civil or statutory authority or by order of the government or any public authority, for more than 24-hours
- 1.3 "Actual Cash Value" means the cost to repair or replace the Insured Property with a proper deduction for obsolescence, wear and tear.
- 1.4 "Buildings" means any roofed and walled structure, including any signs, glass, interior decorations and fixtures and fittings, lifts, fixed fuel tanks, driveways, footpaths, walls, gates, satellite dishes and their fittings and masts located at an Insured Location.
- 1.5 "Contents" means fixtures and fittings, interior decorations, machinery and equipment, office furniture and stock (including finished goods manufactured by the Insured or held for sale).
- 1.6 "Deductible" means the Deductible(s) stated in the Schedule in respect of each and every Occurrence. Each Occurrence shall be adjusted separately and from the amount of each such adjusted loss, the Deductible shall be deducted.
- 1.7 "Electronic Data" means facts, concepts and information converted to a form useable for communication, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.
- 1.8 "Insured Locations" means the locations as described on the Schedule of Values attaching to this Policy.
- 1.9 "Insured Property" means the Buildings and Contents that the Insured owns or is legally responsible for which values have been declared to, and agreed by, Underwriters on the Schedule of Values attaching to this Policy.
- 1.10 "Net Loss" means:
  - a. In respect of Buildings:

the reasonable cost of repairing, replacing or reinstating (without deduction for depreciation) on the same site, or nearest available site (whichever incurs the least cost) to a condition substantially the same as but not better than the condition of the Buildings immediately prior to the loss, subject to the repairing, replacing or reinstating being carried out and subject to the following provisions:

    - i. The repairs, replacement or reinstatement (all hereinafter referred to as "replacement") must be executed with due diligence and dispatch;
    - ii. If the Buildings are not repaired, replaced or reinstated within a reasonable period of time the Underwriters shall only pay the Actual Cash Value;
  - b. In respect of Contents:
    - i. on finished goods sold and awaiting collection, the regular selling price, less all discounts and charges to which such goods would have been subject to had no loss occurred;
    - ii. on all other stock, the value of raw materials and labour expended;
    - iii. for property of others, the amount for which the Insured is legally liable but in no event to exceed the Actual Cash Value;

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- iv. for film, tape, disc, drum, cell and other magnetic recording or storage media for Electronic Data processing, an amount not exceeding the cost of such media in an unexposed or blank form plus the costs of copying Electronic Data from back up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such Electronic Data. If the media is not repaired or replaced the basis of valuation shall be the cost of the blank media. This Policy does not insure any amount pertaining to the value of such Electronic Data to the Insured or any other party.
  - v. on documents other than (iv) above an amount not exceeding the cost of blank material plus the cost of labour incurred by the Insured for transcribing or copying such records. This Policy does not insure any amount pertaining to the value of such documents to the Insured or any other party.
  - vi. on all other property, the Actual Cash Value.
- c. In respect of the removal of debris: the necessary and reasonable expenses incurred by the Insured with Underwriters' prior written consent in the removal of said debris.

All amounts shall be calculated at the date of loss and in no event shall Underwriters be liable for more than the Sum Insured.

- 1.11 "Occurrence" means any one loss and/or series of losses arising out of and directly occasioned by one Act or series of Acts of Terrorism or Sabotage for the same purpose or cause. The duration and extent of any one "Occurrence" shall be limited to all losses sustained by the Insured at the Insured Property herein during any period of seventy-two (72) consecutive hours arising out of the same purpose or cause. However no such period of seventy-two (72) consecutive hours may extend beyond the expiration of this Policy unless the Insured shall first sustain direct physical damage by an Act of Terrorism or Sabotage prior to expiration and within said period of seventy-two (72) consecutive hours nor shall any period of seventy-two (72) consecutive hours commence prior to the attachment of this Policy.
- 1.12 "Sabotage" means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.
- 1.13 "Sum Insured" means the amount stated in the Schedule in respect of any one Occurrence and in the aggregate for all loss and damage insured hereunder.
- 1.14 "Total Insured Values" means the amounts stated on the Schedule of Values attaching to this Policy, as declared to and agreed by Underwriters at inception and as may be amended during the Policy Period in accordance with the Policy terms and conditions.
- 1.15 "Underwriters", "We", "Us", "Our" shall mean certain Underwriters at Lloyd's subscribing to this Policy.
- 1.16 "Time Deductible" means the Time Deductible(s) stated in the Schedule in respect of each and every Occurrence. Such Time Deductible to commence as from the beginning of the interruption of or interference with the business resulting in a claim under this Policy.
- 1.17 "Policy" means this Policy including the Schedule and any Endorsements.
- 1.18 "Schedule" means the Schedule attached to, and forming part of, this Policy.
- 1.19 "Endorsement" means any written amendment to the terms of this Policy.
- 1.20 "Policy Period" means the period stated in the Schedule as the Policy Period as per G.M.T. time zone.
- 1.21 "Insured", "You", "Your" means the person, people or company stated in the Schedule as the Insured.



### 3. GENERAL POLICY EXCLUSIONS

This Policy DOES NOT COVER:

- 1.1 Loss or damage arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused.
- 1.2 Loss or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or local government entities, civil war, rebellion, revolution, insurrection, martial law, usurpation of power, or civil commotion assuming the proportions of or amounting to an uprising.
- 1.3 Loss or damage caused by seizure, confiscation, requisition, detention, legal or illegal occupation, embargo, quarantine, or any result of any order of public or government authority which deprives the Insured of the use or value of the Insured Property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.
- 1.4 Loss or damage directly or indirectly arising from or in consequence of the seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any chemical or biological material or substance, any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment, except as specifically provided for within the Clean Up Costs extension to this Policy and where this is shown with the Schedule.
- 1.5 Loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon.

This Exclusion shall not operate to exclude losses (which would otherwise be covered under this Policy) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.
- 1.6 Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion.
- 1.7 Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality, or increased cost of working except where cover has been extended to include those perils. In any event this Policy will not cover:
  - a. Increase in loss resulting from interference at the Insured Locations, by strikers or other persons, with rebuilding, repairing or replacing the lost or damaged property or with the resumption or continuation of the Insured's business operations;
  - b. Increase in loss caused by the suspension, lapse, or cancellation of any lease, licence, contract, or order, unless such increase results directly from the insured interruption of business, and then Underwriters shall be liable for only such loss as affects the Insured's Gross Profit during, and limited to, the period of interruption of business but not exceeding the Indemnity Period as specified within the Schedule.
  - c. Increase in loss caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any Insured Property under this Policy.
  - d. Loss of market or any other consequential loss except as specifically insured herein.
  - e. Loss as a result of physical or mental or bodily injury to any person.
- 1.8 Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications of any type or service except as may be insured specifically under any Business Interruption extension to this Policy.

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- 1.9 Loss or increased cost as a result of threat or hoax, except as specifically provided for within the Threat extension to this Policy and where this is shown with the Schedule.
- 1.10 Loss or damage caused by or arising out of burglary, house-breaking, theft or larceny or caused by any person taking part therein. However, this exclusion shall not apply to physical loss or damage to Insured Property caused by looting which results directly from an Insured Event.
- 1.11 Unless specifically declared hereon this Policy shall not cover:
  - a. Land or land values, however this exclusion does not apply to land improvements as provided under the Landscape and Trees Extension to this Policy;
  - b. Transmission, feeder lines or distribution lines and their supporting structures not on the Insured Property unless expressly declared to and agreed by Underwriters hereunder;
  - c. Watercraft, aircraft or other aerial devices;
  - d. Any land conveyance, including vehicles, locomotives or rolling stock, unless such land conveyance is expressly declared to and agreed by Underwriters hereunder;
  - e. Animals, plants and living things of all types (except where cover is provided by the Landscape and Trees extension to this Policy) including loss as a result of physical, mental or bodily injury to any person.

## 4. GENERAL CONDITIONS

### 1.1 Arbitration

- a. If any dispute, controversy or claim arises out of or in connection with this Policy, including any question regarding its existence, validity or termination (a "Dispute") the parties shall use all reasonable endeavours to resolve the matter amicably. If one party gives the other party notice that a Dispute has arisen and the parties do not resolve the Dispute within 30 days of service of the notice then the Dispute shall be referred to the representatives of the parties who shall, acting jointly and in good faith, attempt to resolve the Dispute. No party shall resort to arbitration against the other party under this Policy until 30 days after such referral.
- b. All Disputes, which are unresolved pursuant to (a) above and which a party wishes to have resolved, shall be referred upon the application of any party to and finally settled under the London Court of International Arbitration Rules (the "Rules") in force at the time the proceedings are commenced, which Rules are deemed to be incorporated by reference to this Arbitration clause. The number of arbitrators shall be 3, appointed in accordance with the Rules. The seat of the arbitration shall be as stated in the Schedule. The language of this arbitration shall be English and the award shall be final and binding upon the parties. The arbitrators shall interpret this Policy on the basis of the law identified in the Schedule.
- c. The costs and expenses of the arbitration shall be borne by the Insured and the Underwriters as ordered by the arbitration tribunal. Such legal costs and expenses will not be part of the Sum Insured.
- d. The Insured and the Underwriters agree to keep confidential to themselves and their legal and other professional advisers the existence and details of any proceedings pursuant to this Arbitration clause, including their submissions and evidence and all and any awards (including their content, reasons and result) except to the extent that such documents or information are in the public domain or required by a legal duty to be disclosed or disclosure is reasonably necessary to protect or pursue a legal right or remedy or if required by any agency or authority in charge of regulating securities.

### 1.2 Assignment

Assignment or transfer of this Policy shall not be valid except with the written consent of Underwriters.

### 1.3 Changes in Values, Additions and Deletions

This Policy is extended to automatically include any:

- a. increase in insured values at existing Insured Locations following a revaluation of Insured Property at such locations;
- b. increase in insured values at existing Insured Locations due to any construction, renovation, installation and/or repair work at such locations;
- c. additional property and/or interest of the type already insured by this Policy which may be acquired or otherwise become at the risk of the Insured during the Policy Period;
- d. unintentional omission or error in the valuation of the Insured Property;

PROVIDED always that:

- I. the total increase in insured values during the Policy Period does not exceed 10% of the Total Insured Values declared at inception; and
- II. additional property and/or interests stated in (c) above does not relate to any property located within the Restricted Areas defined in (vi) below or within countries not covered on the Schedule of Values declared at inception; and
- III. any increase in value and/or unintentional error in valuation of property located within the Restricted Areas defined in (vi) below does not exceed 10% of that individual declared location value; and

*Continued overleaf*

*Continuation*

IV. any unintentional error in the valuation of the Insured Property must be reported by the Insured to Underwriters when discovered and corrected; and

V. Restricted area post codes are deemed to be:-

Zone A – E1, E14, EC1, EC2, EC3, EC4, SE1, W1, WC1, WC2, SW1

NG1, NG2, M1, M2, NE1 AND NE2

If the total change in insured values during the Policy Period is 10% or less of the Total Insured Values declared at inception, there shall be no additional or return of premium.

If the increase in insured values during the Policy Period exceeds 10% of the Total Insured Values declared at inception or in the event of coverage being required for additional property and/or interests stated in (c) above relates to any property located within countries and / or restricted areas as defined in vi not covered on the Schedule of Values declared at inception, information is to be provided to Underwriters before such increase in insured values and/or such additional property and/or interests becomes at the risk of the Insured, and if such property is accepted by Underwriters, an additional premium may be determined and payable at that time.

If the total decrease in insured values during the Policy Period exceeds 10% of the Total Insured Values declared at inception, a return premium may be determined and payable at that time.

1.4 Deductible

Each Occurrence shall be adjusted separately and from the amount of each such adjusted loss the sum stated in the Schedule shall be deducted.

1.5 Due Diligence

The Insured (or any agent, sub or co-contractor of the Insured) shall at all times and at his own expense use due diligence and do (and concur in doing and permit to be done) all things reasonably practicable (including but not limited to precautions to protect or remove the property and interests insured herein) to avoid or diminish any loss herein insured. The Insured shall advise Underwriters of any specific and credible threats of violence of a political, religious or ideological nature received with respect to an Insured Property as soon as possible.

1.6 Inspection and Audit

The Underwriters shall be permitted but not obligated to inspect the Insured Property at any time. Neither the Underwriters' right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property is safe.

The Underwriters may examine and audit the Insured's books and records at any time during the Policy Period and extensions thereof and within two years after the final termination of this Policy, as far as they relate to the subject matter of this insurance.

1.7 Law and Jurisdiction

This Policy shall be governed by and construed in accordance with the laws of the country identified in the Schedule and each party agrees, subject to the provisions of the Arbitration condition within this Policy, to submit to the exclusive jurisdiction of the courts of the country identified in the Schedule.

*Continued overleaf*

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1.8 Remedies for breach of the duty of fair presentation

- a. If, prior to entering into this insurance contract, the Insured shall breach the duty of fair presentation, the remedies available to the Insurer are set out below.
  - I. If the Insured's breach of the duty of fair presentation is deliberate or reckless:
    - a. The Insurer may avoid the contract, and refuse to pay all claims; and,
    - b. The Insurer need not return any of the premiums paid.
  - II. If the Insured's breach of the duty of fair presentation is not deliberate or reckless, the Insurer's remedy shall depend upon what the Insurer would have done if the Insured had complied with the duty of fair presentation:
    - a. If the Insurer would not have entered into the contract at all, the Insurer may avoid the contract and refuse all claims, but must return the premiums paid.
    - b. If the Insurer would have entered into the contract, but on different terms (other than terms relating to the premium), the contract is to be treated as if it had been entered into on those different terms from the outset, if the Insurer so requires.
    - c. In addition, if the Insurer would have entered into the contract, but would have charged a higher premium, the Insurer may reduce proportionately the amount to be paid on a claim (and, if applicable, the amount already paid on prior claims). In those circumstances, the Insurer shall pay only X% of what it would otherwise have been required to pay, where  $X = (\text{premium actually charged/higher premium}) \times 100$ .
- b. If, prior to entering into a variation to this insurance contract, the Insured shall breach the duty of fair presentation, the remedies available to the Insurer are set out below.
  - I. If the Insured's breach of the duty of fair presentation is deliberate or reckless:
    - a. The Insurer may by notice to the Insured treat the contract as having been terminated from the time when the variation was concluded; and,
    - b. The Insurer need not return any of the premiums paid.
  - II. If the Insured's breach of the duty of fair presentation is not deliberate or reckless, the Insurer's remedy shall depend upon what the Insurer would have done if the Insured had complied with the duty of fair presentation:
    - a. If the Insurer would not have agreed to the variation at all, the Insurer may treat the contract as if the variation was never made, but must in that event return any extra premium paid.
    - b. If the Insurer would have agreed to the variation to the contract, but on different terms (other than terms relating to the premium), the variation is to be treated as if it had been entered into on those different terms, if the Insurer so requires.
    - c. If the Insurer would have increased the premium by more than it did or at all, then the Insurer may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, the Insurer shall pay only X% of what it would otherwise have been required to pay, where  $X = (\text{premium actually charged/higher premium}) \times 100$ .

*Continued overleaf*

*Continuation*

- d. If the Insurer would not have reduced the premium as much as it did or at all, then the Insurer may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, the Insurer shall pay only X% of what it would otherwise have been required to pay, where  $X = (\text{premium actually charged/reduced total premium}) \times 100$ .

1.9 Non cancellation

This Policy shall be non-cancellable by the Underwriters or the Insured except:

- a. in the event of non-payment of the premium by the Insured where the Underwriters may cancel this Policy at their discretion in accordance with the terms of the Premium Payment clause herein; or
- b. in accordance with the Security Default Cancellation Clause; or
- c. in accordance with the Refinancing Clause.

1.10 Premium Payment Clause

The Insured undertakes that premium will be paid in full to Underwriters within the payment period agreed with the broker (or, in respect of instalment premiums, when due).

If the premium due under this Policy has not been so paid to Underwriters within the payment period agreed with the broker (and, in respect of instalment premiums, by the date they are due) Underwriters shall have the right to cancel this Policy by notifying the Insured via the broker in writing. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters are on risk but the full Policy premium shall be payable to Underwriters in the event of an Occurrence prior to the date of termination which gives rise to a valid claim under this Policy.

It is agreed that Underwriters shall give not less than thirty (30) days prior notice of cancellation to the Insured via the broker. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, this Policy shall automatically terminate at the end of the notice period.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause, which will remain in full force and effect.

1.11 Protection Maintenance

It is agreed that any protection provided by the Insured for the safety and security of the Insured Property shall be maintained in good order throughout the Policy Period and shall be in use at all relevant times, and that such protection shall not be withdrawn or varied to the detriment of the interests of the Underwriters without their consent.

1.12 Refinancing Clause

In the event that the obligations of the Insured are reduced due to the participation of other parties in the financing of the Insured Property, and that coverage is not required by these parties, then Underwriters agree to reduce the Sum Insured and/or to cancel this Policy and accordingly return pro-rata premium provided that no claims are made against this Policy.

*Continued overleaf*

*Continuation*

1.13 Rights of Third Parties Exclusion

This Policy is effected solely between the Insured and Underwriters. Unless otherwise agreed upon in writing this Policy shall not confer any benefits on any third parties, including shareholders, and no such third party may enforce any term of this Policy. This clause shall not affect the rights of the Insured.

1.14 Sanction Limitation Exclusion Clause

No Underwriter shall be deemed to provide cover and no Underwriter shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that Underwriter 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.

1.15 Security Default Cancellation Clause

Notwithstanding anything contained in this Policy to the contrary, in the event of a 'Default Event' occurring (as hereinafter described) in relation to any Underwriter, the Insured shall have the right to give notice of cancellation to such Underwriter in respect of their participation in this Policy. Such cancellation shall be effective as at the date of the Default Event at the sole discretion of the Insured (and always subject to any other cancellation date imposed by any relevant law or statute governing insolvency and liquidation generally in the country in which the Underwriter has its place of incorporation or domicile), such date thereafter during the Policy Period as the Insured may stipulate in its notice of cancellation. To be effective, any notice of cancellation by the Insured under this Clause must be delivered in writing to the Underwriter whose participation is being cancelled.

A "Default Event" shall be deemed to have occurred if either an Underwriter:

- a. is placed into voluntary or involuntary liquidation, rehabilitation, bankruptcy, receivership, chapter 11, administration or is dissolved or is the subject of any similar relief or state of affairs for the protection of some or all of the creditors of the Underwriter or is the subject of any application, resolution or petition for or with a view to effecting any of the foregoing; or
- b. has its Financial Strength Rating or its Financial Performance rating, as published by Standard & Poor's or A M Best, downgraded below A- or B++ respectively.

In relation to a Lloyd's Syndicate, the published rating, as referenced in sub-paragraph (b) above, shall be that which applies to Lloyd's as a whole, provided Lloyd's continues to be rated as a single entity by Standard & Poor's or A M Best.

Any Underwriter whose participation in this Policy is cancelled by the Insured in accordance with this Clause shall return to the Insured its share of unearned premium, which shall be calculated on a pro-rata daily basis. If the premium for this Policy is adjustable it is agreed such adjustment will take place in accordance with the original terms of this Policy and, if applicable, the resultant additional or return premiums shall be applied pro-rata to the time such Underwriter participated in this Policy. Any Underwriter whose participation in this Policy is cancelled by the Insured in accordance with this Clause shall maintain the right to retain all Premium in the event of a claim notice to this Policy.

It is further agreed that either party shall be entitled to off-set any monies which are owed by the other party as at the date of cancellation under this Policy.

*Continued overleaf*

*Continuation*

1.16 Several Liability

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

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

1.17 Sum Insured

The Underwriters hereon shall not be liable for more than the Sum Insured stated in the Schedule in respect of each and every Occurrence and in the aggregate.

The sub-limits of liability shown in this Policy under Section 5. Extensions apply in the aggregate for all locations and coverages combined.

Each sub-limit stated in this Policy applies as part of, and not in addition to, the overall Sum Insured for an Occurrence insured hereunder. Each sub-limit is the maximum amount potentially recoverable from all insurance layers combined for all insured loss, damage, expense or other insured interest arising from or relating to that aspect of the Occurrence, including but not limited to type of property, construction, geographic area, zone or location.

1.18 Territorial Limits

This Policy insures property owned by the Insured and located at the Insured Locations as described in the Schedule and as may be added during the Policy Period in accordance with the Changes in Values, Additions and Deletions clause.

1.19 Breach of Warranty

If the Insured breaches a warranty in this insurance contract, the Insurer's liability under the contract shall be suspended from the time of the breach until the time when the breach is remedied (if it is capable of being remedied). The Insurer will have no liability to the Insured for any loss which occurs, or which is attributable to something happening, during the period when the Insurer's liability is suspended.



## 5. EXTENSIONS

The following extensions are *automatically* operative:

### A. Claims Preparation Clause

Underwriters will indemnify the Insured in respect of expenses reasonably incurred by the Insured or the Insured's representatives for preparing and presenting details of a valid claim under this Policy.

Coverage will not include the fees and costs of lawyers, public adjusters, and loss appraisers, all including any of their subsidiary, related or associated entities either partially or wholly owned by them or retained by them for the purpose of assisting them.

Subject to the Deductible, Underwriters total liability under this provision shall in no case exceed **GBP 50,000** each and every Occurrence and in the aggregate whichever the lesser.

Deductible: **As stated in the Schedule** any one occurrence.

### B. Contingent Financial Loss (Named Direct Customers and Suppliers)

Loss resulting from interruption of the business of the Insured caused by damage by an Act of Terrorism or Sabotage to property, otherwise excluded by this Policy, that impairs a) direct supplier (s) of goods and/or services to the Insured from rendering and/or delivering their goods and/or services, or b) named direct customer (s) of goods and/or services of the Insured from accepting the goods of the Insured and/or services.

Subject to the Deductible, Underwriters total liability under this provision shall in no case **exceed GBP\_50,000** each and every Occurrence and in the aggregate.

But limited to **GBP\_25,000** each and every Occurrence and in the aggregate in respect of Unnamed Direct Customers and Suppliers.

Deductible: **2 hours** any one occurrence.

### C. Denial of access

- a) Business Interruption resulting from interruption to the business of the Insured caused by an Act of Terrorism or Sabotage within one (1) mile radius of the boundary of Insured Property where such Act of Terrorism or Sabotage prevents access to or egress from such Insured Property.
- b) Business Interruption resulting from interruption to the business of the Insured in consequence of closure, requisition or sealing off of Insured Property or any right of way to such Insured Property by order or action of a military authority and/or public authority caused by an Act of Terrorism or Sabotage within one (1) mile radius of the boundary of the Insured Property.

Subject to the Deductible, Underwriters total liability under this provision shall in no case exceed **exceed 20%** of the overall Sum Insured or **GBP\_100,000** each and every Occurrence and in the aggregate whichever the lesser.

Maximum indemnity period **30 days**.

Deductible: **48 hours** any one occurrence

*Unless* the occurrence is designated a crime scene by a civil or military authority where **24 hours** any one occurrence shall apply.

#### D. Fire Brigade Charges and Extinguishing Expenses

This Policy is extended to cover the reasonable expenses charged by fire, police or other emergency services, and other extinguishing expenses and the costs of refilling any fire extinguishing appliances solely in consequence of physical loss or physical damage insured by this Policy.

#### E. Loss of Attraction

Loss resulting from interruption of or interference with the business of the Insured caused by damage by an Act of Terrorism or Sabotage, to Attraction Property(ies) located within One (1) mile of the Insured Property.

Attraction Property is defined as a property that attracts business to the Insured Property but is limited to:

- a. Transportation hubs
- b. Iconic or historic Buildings open to the public
- c. National monuments
- d. Stadia, sports and entertainment venues
- e. Shopping centres
- f. Theme parks
- g. Religious centres or major places of worship
- h. Office complexes with Buildings of over 10 storey
- i. Hotels with more than 50 beds

Coverage under this extension excludes loss resulting from interruption of or interference with the business of the Insured that is covered under the separate Denial of Access including civil or military order extensions included in this insurance.

Subject to the Deductible, Underwriters total liability under this provision shall in no case exceed **20%** of the overall Sum Insured or **GBP\_100,000** each and every Occurrence and in the aggregate whichever the lesser.

The maximum indemnity period under this Extension is 60 days but not to exceed the period for which the relevant Attraction Property is closed for all business as a direct result of the covered Act of Terrorism or Sabotage.

Deductible: **48 hours** any one occurrence.

#### F. Miscellaneous Unnamed locations

This Policy covers loss resulting from physical loss or physical damage caused by an Act of Terrorism or Sabotage occurring during the Policy Period to property of a type not excluded by this Policy at any location owned, leased or rented by the Insured within the Policy territory which is not individually named or identified on file or Schedule, provided that values for such property have been declared to Underwriters.

Subject to the Deductible, Underwriters total liability under this provision shall in no case exceed **GBP 25,000** each and every Occurrence and in the aggregate whichever the lesser.

Notwithstanding anything contained in the aforementioned, this clause does not extend to include any property located in any of the Post Codes within the Restricted Areas defined below or within countries not covered on the Schedule of Values declared at inception. Restricted Area Post Codes are deemed to be:

**E1, E14, EC1, EC2, EC3, EC4, SE1, W1, WC1, WC2, SW1, NG1, NG2, M1, M2, NE1 AND NE2.**

Deductible: **As stated in the Schedule** any one occurrence.

#### G. Professional Fees

This Policy covers the actual costs incurred by the Insured of reasonable fees payable to the Insured's Architects', Surveyors', Consulting Engineers' or other professional fees which are necessarily incurred in the reinstatement of the Insured Property consequent upon its loss or damage as insured by this Policy. Coverage will not include the fees and costs for preparing any claim.

The amount payable for such fees shall not exceed those authorised by the appropriate professional body.

Underwriters total liability under this provision shall in no case exceed **GBP\_50,000** each and every Occurrence and in the aggregate whichever the lesser.

#### H. Threat

This Policy is extended to include if the business of the Insured is interrupted as the sole and direct result of a threat of an Act of Terrorism or Sabotage during the Policy Period which results in:

- a) The evacuation of Insured Property by order of a military authority and/or public authority in response to such a threat; or
- b) An evacuation of Insured Property initiated by the Insured in response to such a threat. We will only provide this cover if the threat of an Act of Terrorism or Sabotage is:
  - (i) Made against the Insured, and
  - (ii) To take place at the evacuated Insured Property; and
  - (iii) Reported to a military authority and/or public authority at the time such threat is made, and
  - (iv) Subsequently confirmed in writing by a military authority and/or public authority; or

An emergency lockdown of Insured Property by order of a military authority and/or public authority in response to such a threat preventing people for exiting the Insured Property; or

*Continued overleaf*

*Continuation*

- c) A denial of access to Insured Property by order of a military authority and/or public authority in response to such a threat;

We will pay up to the sub-limit of liability as provided by this extension for the financial loss sustained by the Insured during the Policy Period resulting solely and directly from the financial loss at the Insured Property.

We will only provide this cover if the evacuation or emergency lockdown of an Insured

Property or denial of access to an Insured Property applied for longer than the Time Deductible stated in the "Schedule".

This extension does not include any loss arising from damage caused by an Act of Terrorism or Sabotage or any costs relating thereto.

The maximum indemnity period under this extension is 14 days.

Coverage under this extension excludes loss resulting from interruption of or interference with the business of the Insured that is covered under the separate Denial of Access including civil or military order extensions included in this insurance.

Subject to the Deductible, Underwriters total liability under this provision shall in no case exceed **exceed 20%** of the overall Sum Insured or **GBP\_100,000** each and every Occurrence and in the aggregate whichever the lesser.

The maximum indemnity period under this Extension is 60 days but not to exceed the period for which the relevant Insured Property is closed for all business as a direct result of the covered Act of Terrorism or Sabotage.

Deductible: **2 hours** any one occurrence

#### **I. Utilities**

Financial loss resulting from interruption to the business of the Insured caused by damage by an Act of Terrorism and/or Sabotage, to installations and/or equipment, pipes, lines, wires and the like used for the supply of gas, electricity, water, effluent, telecommunications or internet provision services which results in failure of supply or services at the terminal ends of the service feeder or receivers or meters at the Insured Property.

The maximum indemnity period under this extension is 30 days.

Subject to the Time Deductible, Our total liability under this provision shall in no case exceed **GBP 50,000** each and every Occurrence and in the aggregate whichever the lesser.

Deductible: **2 hours** any one occurrence

## 6. CONDITIONS IN THE EVENT OF A LOSS

### 1.1 Abandonment

There shall be no abandonment to the Underwriters of any property.

### 1.2 Claim Settlement

Settlement of any valid claim under this Policy shall be payable within 30 days after the conclusion of Underwriters' investigation(s) necessary for the assessment of the extent of their liability.

The Underwriters, having agreed liability for a claim under this Policy, will consider requests for payments on account reasonably made by the Insured subject always to the aggregate amount of such payments not exceeding 60% of the maximum amount of the agreed claim and to the limitations of accounts presented and agreed less any earlier payments made by Underwriters.

### 1.3 Fraudulent Claims Clause

- a. If the Insured makes a fraudulent claim under this insurance contract, the Insurer:
  - i. Is not liable to pay the claim; and
  - ii. May recover from the Insured any sums paid by the Insurer to the Insured in respect of the claim; and
  - iii. May by notice to the Insured treat the contract as having been terminated with effect from the time of the fraudulent act.
- b. If the Insurer exercises its right under clause (1)(c) above:
  - i. The Insurer shall not be liable to the Insured in respect of a relevant event occurring after the time of the fraudulent act. A relevant event is whatever gives rise to the Insurer's liability under the insurance contract (such as the Occurrence of a loss, the making of a claim, or the notification of a potential claim); and,
  - ii. The Insurer need not return any of the premiums paid.

#### Fraudulent claims – group insurance

- c. If this insurance contract provides cover for any person who is not a party to the contract ("a covered person"), and a fraudulent claim is made under the contract by or on behalf of a covered person, the Insurer may exercise the rights set out in clause (1.3a) above as if there were an individual insurance contract between the Insurer and the covered person. However, the exercise of any of those rights shall not affect the cover provided under the contract for any other person.

### 1.4 Incorrect Declaration Penalty

If the values declared as stated in the Schedule are less than the correct insured values by more than 10% any recovery otherwise due hereunder shall be reduced in the same proportion that the values declared bear to the values that should have been declared, and the Insured shall co insure for the balance.

This clause does not extend to include Insured assets in restricted areas as defined in general condition 4.1.3 V.

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1.5 Multiple Insured Clause

The Underwriters' total liability for any loss or losses sustained by any one or more of the Insureds under this Policy will not exceed the Sum Insured stated herein. The Underwriters shall have no liability in excess of the Sum Insured whether such amounts consist of the insured losses sustained by all of the Insureds or by any one or more of them.

1.6 Notification of Claims

The Insured, upon knowledge of any Occurrence likely to give rise to a claim hereunder, shall give written advice thereof to the Underwriters via the broker who is to advise Underwriters as soon as practicable of such knowledge of any Occurrence and not later than 45 days after the date of such Occurrence.

1.7 Onus of Proof

In any claim and/or action, suit or proceeding to enforce a claim for loss under this Policy, the burden of proving that the loss is insured under this Policy shall fall upon the Insured. The burden of proving that an Exclusion hereunder is applicable to such loss shall fall upon the Underwriters.

1.8 Other Insurance

This Policy shall be primary and not excess to any other insurance available to the Insured covering any loss insured hereunder unless specifically stated herein.

1.9 Proof of Loss

The Insured shall render a signed and sworn proof of loss within sixty (60) days after the Occurrence of a loss (unless such period be extended by the written agreement of Underwriters) stating the time, place and cause of loss, the interest of the Insured and all others in the applicable Insured Property, the sound value thereof and the amount of loss or damage thereto.

If Underwriters have not received such proof of loss within two years of the expiry date of this Policy, they shall be discharged from all liability hereunder unless an extension has been specifically filed with Underwriters.

1.10 Salvage and Recoveries

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto.

*Continued overleaf*

*Continuation*

1.11 Subrogation

Any release from liability entered into in writing by the Insured prior to loss hereunder shall not affect this Policy or the right of the Insured to recover hereunder. The right of subrogation against any of the Insured's subsidiary or affiliated companies or any other companies associated with the Insured through ownership or management is waived.

In the event of any payment under this Policy, the Underwriters shall be subrogated to the extent of such payment to all the Insured's rights of recovery therefor. The Insured shall execute all papers required, shall cooperate with Underwriters and, upon the Underwriters' request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, attaining the attendance of witnesses and in the conduct of suits and shall do anything that may be necessary to secure such right. The Underwriters will act in concert with all other interests concerned (including the Insured) in the exercise of such rights of recovery. If any amount is recovered as a result of such proceedings, such amount shall be distributed in the following priorities:

- a. any interest (including the Insured's) exclusive of any Deductible or self insured retention, suffering a loss of the type covered by this Policy and in excess of the coverage under this Policy shall be reimbursed up to the amount of such loss (excluding the amount of the Deductible);
- b. out of the balance remaining, the Underwriters shall be reimbursed to the extent of payment under this Policy;
- c. the remaining balance, if any, shall inure to the benefit of the Insured, or any insurer providing insurance primary to this Policy, with respect to the amount of such primary insurance, Deductible, self insured retention and/or loss of a type not covered by this Policy.

The expense of all proceedings necessary to the recovery of any such amount shall be apportioned between the interests concerned, including that of the Insured, in the ratio of their respective recoveries as finally settled. If there should be no recovery and proceedings are instituted solely on the initiative of Underwriters, the expense thereof shall be borne by the Underwriters.

*Continued overleaf*

*Continuation*

1.12 Valuation

It is understood that, in the event of damage, settlement shall be based upon the cost of repairing, replacing or reinstating (whichever is the least) on the same site, or nearest available site (whichever incurs the least cost) with material of like kind and quality without deduction for depreciation, subject to the following provisions:

- a. The repairs, replacement or reinstatement (all hereinafter referred to as "replacement") must be executed with due diligence and dispatch;
- b. Until replacement has been effected the amount of liability under this Policy in respect of loss shall be limited to the Actual Cash Value at the time of loss;
- c. If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, any increased cost of replacement due thereto shall not be covered by this Policy, except as specifically provided under the Demolition and Increased Cost of Construction provisions of this Policy.

The Underwriters' liability for loss under this Policy including this condition shall not exceed the smallest of the following amounts:

- I. The amount of the Policy applicable to the destroyed or damaged property
- II. The replacement cost of the property or any part thereof identical with such property and intended for the same occupancy and use,
- III. The amount actually and necessarily expended in replacing said property or any part thereof.

In respect of FINE ARTS articles, the lesser of:

- a. The reasonable and necessary cost to repair or restore such property to the physical condition that existed on the date of loss; or
- b. Cost to replace the article; or
- c. The value, if any, stated on a schedule on file with the Underwriters; or
- d. The fair market value.

In the event a Fine Arts article is part of a pair or set, and a physically damaged article cannot be replaced, or repaired or restored to the condition that existed immediately prior to the loss, the Underwriters will be liable for the lesser of the full value of such pair or set or the amount designated on the Schedule of Values.

The Insured agrees to surrender the pair or set to Underwriters.

Fine Arts shall mean paintings; etchings; pictures; tapestries; rare or art glass; art glass windows; valuable rugs; statuary; sculptures; antique furniture; antique jewellery; bric-a-brac; porcelains; and similar property of rarity, historical value, or artistic merit excluding automobiles, coins, stamps, furs, jewellery, precious stones, precious metals, watercraft, aircraft, money, securities.

In respect of any claims under Section 2 (Business Interruption) which is operative within the Schedule then all amounts and accounting details to be calculated using the Insured's usual generally accepted accounting standards.



## 7. CLAIMS PROCEDURE

If any incident occurs which might result in a claim *You* should report this to *Us* through *Your Agent as soon as practicable*.

(whose details will appear on the *Schedule*.)

## 8. CUSTOMER SERVICE INFORMATION

Syndicate 2987 at Lloyd's, One Lime Street, London, EC3M 7HA.

Lloyd's as an insurance market is authorised under the Financial Services and Markets Act 2000 and is regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA).

Underwriters at Lloyd's are also authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### **What to do if the Insured has a complaint**

Contact Touchstone Underwriting Ltd who will make every effort to correct any errors.

### **In the event that the Insured remains dissatisfied and wishes to make an official complaint, please contact:**

The Complaints Team at Lloyd's,

Address:

Complaints, Lloyds, 1 Lime Street, London EC3M 7HA.

Tel No: 020 7327 5693

Fax No: 020 7327 5225

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

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

Details of Lloyd's complaints procedures are set out in a leaflet "Your Complaint – How We Can Help" available at [www.lloyds.com/complaints](http://www.lloyds.com/complaints) and are also available from the above address. If the Insured remains dissatisfied after Lloyd's has considered any complaint, the Insured may have the right to refer the complaint to the Financial Ombudsman Service.

### **Financial Ombudsman Service**

Complaints that cannot be resolved by the Lloyd's Complaints team or by Cigna Legal Protection may be referred to the Financial Ombudsman Service (the "FOS").

The Financial Ombudsman Service, Exchange Tower, London E14 9SR. Telephone: 0800 023 4567 (free for people phoning from "fixed lines" in the UK) or 0300 123 9123 (free for mobile-phone users who pay a monthly charge for calls to numbers starting 01 or 02) or by email at [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk).

The Financial Ombudsman Service is an independent service in the UK for settling disputes between consumers and businesses providing financial services. The Insured can find more information on FOS at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) including details of the types of complaints the FOS will be able to consider. If the Insured makes a complaint to the FOS, their right to legal action against Underwriters or the broker is not affected.

### **The Insured's rights**

Underwriters must accept the Ombudsman's final decision, but the Insured is not bound by it and may take further action if they wish.

The Insured's rights as a customer to take legal action remain unaffected by the existence or use of the Complaints Procedure. However the Financial Ombudsman Service will not adjudicate on cases where litigation has commenced.

### **Fair Processing Notice**

This Privacy Notice describes how Brit Limited (on behalf of the underwriting members of Lloyd's Syndicate 2987) (together, "we", "us" or the "Insurer") collect and use the personal information of insureds, claimants and other parties ("you") when we are providing our insurance and reinsurance services.

The information provided to the Insurer, together with medical and any other information obtained from you or from other parties about you in connection with this policy, will be used by the Insurer for the purposes of determining your application, the operation of insurance (which includes the process of underwriting, administration, claims management, analytics relevant to insurance, rehabilitation and customer concerns handling) and fraud prevention and detection. We may be required by law to collect certain personal information about you, or as a consequence of any contractual relationship we have with you. Failure to provide this information may prevent or delay the fulfilment of these obligations.

Information will be shared by the Insurer for these purposes with group companies and third party insurers, reinsurers, insurance intermediaries and service providers. Such parties may become data controllers in respect of your personal information. Because we operate as part of a global business, we may transfer your personal information outside the European Economic Area for these purposes.

You have certain rights regarding your personal information, subject to local law. These include the rights to request access, rectification, erasure, restriction, objection and receipt of your personal information in a usable electronic format and to transmit it to a third party (right to portability).

If you have questions or concerns regarding the way in which your personal information has been used, please contact:

The Data Protection Officer

Brit Limited, The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AB

We are committed to working with you to obtain a fair resolution of any complaint or concern about privacy. If, however, you believe that we have not been able to assist with your complaint or concern, you have the right to make a complaint to the UK Information Commissioner's Office.

For more information about how we process your personal information, please see our full privacy notice at:

### **Data Protection Short Form Information Notice**

#### **Your personal information notice**

##### ***Who we are***

We are the underwriter(s) identified in the contract of insurance and/or in the certificate of insurance.

##### ***The basics***

We collect and use relevant information about you to provide you with your insurance cover or the insurance cover that benefits you and to meet our legal obligations.

This information includes details such as your name, address and contact details and any other information that we collect about you in connection with the insurance cover from which you benefit.

This information may include more sensitive details such as information about your health and any criminal convictions you may have.

*Continued Overleaf*

### *Continuation*

In certain circumstances, we may need your consent to process certain categories of information about you (including sensitive details such as information about your health and any criminal convictions you may have). Where we need your consent, we will ask you for it separately. You do not have to give your consent and you may withdraw your consent at any time. However, if you do not give your consent, or you withdraw your consent, this may affect our ability to provide the insurance cover from which you benefit and may prevent us from providing cover for you or handling your claims.

The way insurance works means that your information may be shared with, and used by, a number of third parties in the insurance sector for example, insurers, agents or brokers, reinsurers, loss adjusters, sub-contractors, regulators, law enforcement agencies, fraud and crime prevention and detection agencies and compulsory insurance databases. We will only disclose your personal information in connection with the insurance cover that we provide and to the extent required or permitted by law.

### ***Other people's details you provide to us***

Where you provide us or your agent or broker with details about other people, you must provide this notice to them.

### ***Want more details?***

For more information about how we use your personal information please see our full privacy notice(s), which is/are available online on our website(s) or in other formats on request.

### ***Contacting us and your rights***

You have rights in relation to the information we hold about you, including the right to access your information. If you wish to exercise your rights, discuss how we use your information or request a copy of our full privacy notice(s), please contact us, or the agent or broker that arranged your insurance who will provide you with our contact details at:

#### **Touchstone Underwriting Limited**

71 Clarendon Road

Watford

WD17 1DS

See:

**TUL-T1**

Arranged by



5th Floor  
Meridian House  
71 Clarendon Road  
Watford WD17 1DS

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