

# **PROTECTOR**

insurance

## **Property Owners Policy**



**Introduction**

**Thank you for choosing Protector Insurance for Your Property policy. We work in partnership with Your insurance broker, building unique relationships, to ensure that You receive product and service excellence.**

**Policy information for the Policyholder**

The Policy is a legal contract between **You** and **Us**. Please read it carefully to ensure that it is in accordance with **Your** requirements and that You understand its limits, terms conditions and exclusions.

This policy wording, together with **Your** policy **schedule**, endorsements and Certificate are all part of **Your** Policy and should be read together to avoid any confusion. Any word or expression which has a specific meaning will have the same meaning whenever it appears in **Your** Policy, and will be defined in the General Definitions section of the wording.

This Policy has been prepared in accordance with the information provided by **You**. In its preparation, the **Insurer** has relied upon the information provided by **You** as constituting a fair presentation of the risk to be insured. It is **Your** responsibility to undertake a reasonable search for material circumstances and to ensure all such material circumstances are disclosed before the policy is inception. **You** should ensure that the information provided is substantially correct, and true and accurate to the best of **your** knowledge and belief. **Your** insurance broker or other intermediary who arranged this insurance should be contacted immediately if any correction is necessary.

**Insuring Clause**

In consideration of payment of the premium the Insurer will indemnify or otherwise compensate the Insured against loss, destruction, damage, injury or liability (as described in and subject to the terms, conditions, limits and exclusions of this Policy or any Section of this Policy) occurring or arising in connection with the Business during the Period of Insurance or any subsequent period for which the Insurer agrees to accept a renewal premium.

Signed, on behalf of Protector Insurance

A handwritten signature in blue ink, appearing to read 'S. Bjerkeli', with a long horizontal flourish extending to the right.

Sverre Bjerkeli, Chief Executive Officer

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## General Definitions

Unless otherwise stated in this Policy wording, or unless an alternative definition is specified, then the following words (highlighted in bold) will be taken to have the same meaning whenever they appear in the Insured's Policy

### **Business**

means the business of the Insured stated in the Schedule

### **Excess**

means the amounts as stated in either this Policy wording or in the Schedule, as applicable, that are to be deducted from any loss and which amounts shall be borne by the Insured

### **Insured**

means the **Insured** as stated in the Schedule

### **Insurer**

means Protector Insurance

### **Period of Insurance**

means the period as stated in the schedule

### **Schedule**

means the Schedule of Insurance attaching to and forming part of this Policy

### **Policy**

The contract of insurance formed of the documents described in the Introduction

### **Section/Sections**

The parts of this Policy that detail the insurance cover provided for each individual Section of this Policy

### **Sum Insured**

means the Sum Insured as stated in the Schedule applicable to the particular item or Section

### **Territorial Limits**

#### **means**

- A. The United Kingdom
- B. Elsewhere in the world in respect of Injury sustained by any Employee resident within the United Kingdom and caused whilst such Employee is temporarily employed outside the United Kingdom provided that any action for compensation in respect of such Injury is brought in a court of law within the United Kingdom or any member country of the European Union.

### **Total Sum Insured**

means the total of the Sums Insured for each item payable by the Insurer under any Section

### **United Kingdom**

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

## General Exclusions

This Policy does not cover

### 1. **Radioactive Contamination** (Not applicable to the Computer and Engineering Machinery Damage Sections)

Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to or arising from:

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

Exclusion a. does not apply to the Employers' Liability Section when insured by this Policy other than in respect of:

- i liability of any principal
- ii liability assumed by the Insured under a contract or agreement which would not have attached in the absence of such contract or agreement

Exclusion b. does not apply to the Employers' Liability Section or Property Owners Liability Section when insured by this Policy.

Exclusions a. and b. do not apply to the Terrorism Section when insured by this Policy.

### 2. **War** (Not applicable to the Employers' Liability and Terrorism Sections)

War, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.

### 3. **Sonic Boom** (Not applicable to the Computer, Engineering Machinery Breakdown, Employers Liability, Property Owners Liability and Terrorism Sections)

loss, destruction or **damage** directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds;

### 4. **Confiscation**

confiscation, nationalisation, requisition, seizure or destruction by or under the order of any government or any public or local authority.

### 5. **Terrorism** (Not applicable to the Employers' Liability, Property Owners Liability, Directors and Officers Liability or Terrorism (when insured as a separate section) Sections)

- a. in respect of England, Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987:

loss or destruction or damage or any consequential loss of whatsoever nature, directly or indirectly caused by, resulting from or in connection with

- i. Any Act of Terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to such Act of Terrorism
- ii. any action taken in controlling, preventing or suppressing any Act of Terrorism, or in any other way related to such Act of Terrorism

In respect of a. above an Act of Terrorism (Terrorism) means:

Acts of persons acting on behalf of, or in connection with, any organization which carries out activities directed towards the overthrowing or influencing, by force or violence, of Her Majesty's government in the United Kingdom or any government de jure or de facto

- b. in respect of territories other than those stated in a. above:

loss or destruction or damage or any consequential loss of whatsoever nature, directly or indirectly caused by, resulting from or in connection with

- i. any act of Terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to such act of Terrorism
- ii. any action taken in controlling, preventing or suppressing any act of Terrorism, or in any way related to such act of Terrorism

In respect of b. above an act of Terrorism (Terrorism) means:

An act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organization(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.

In any action, suit or other proceedings where the Insurer alleges that by reason of this exclusion any loss or destruction or damage or any consequential loss is not covered the burden of proving to the contrary shall be upon the Insured.

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

## 6. Electronic Date Recognition

Damage or consequential loss or legal liability directly or indirectly caused by or consisting of or arising from the failure of any computer, data processing equipment or media, microchip, integrated circuit or similar device or any computer software, whether the property of the Insured or not:

- a. correctly to recognise any date as its true calendar date;
- b. to capture, save or retain, and/or correctly to manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date;
- c. to capture, save, retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save or retain or correctly to process such data on or after any date;

but this shall not exclude subsequent damage to the Insured's property including hired in plant and hired temporary buildings or consequential loss resulting therefrom not otherwise excluded under this Policy, which itself results from a Specified Event.

For the purposes of this General Exclusion the words Specified Event mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, escape of water from any apparatus or pipe, impact by any road vehicle or animal

## 7. E.Risks (Not applicable to the Computer, Engineering Machinery Damage, Employers' Liability, Property Owners Liability Sections)

- a. loss or destruction of or any damage to any Computer Equipment (as defined below) consisting of or caused directly or indirectly by:
  - i. programming or operator error whether by the Insured or any other person
  - ii. Virus or Similar Mechanism (as defined below)
  - iii. Hacking (as defined below)
  - iv. malicious persons (but this shall not apply to the acts of thieves involving physical force or violence)
  - v. failure of external networks

unless, in respect of a. i., ii. and iii. above, such loss or destruction or damage results from a concurrent or subsequent cause not excluded by this or any other Policy exclusion

- b. any financial loss or expense of whatsoever nature, including but not limited to business interruption, resulting directly or indirectly from the type of loss or destruction or damage described in paragraph a. of this Exclusion



unless, in respect of a., i., ii. or iii. above, the financial loss or expense results from a concurrent or subsequent cause not excluded by this or any other Policy exclusion

- c. loss or destruction of or damage to any property other than Computer Equipment where it arises directly or indirectly out of loss or destruction of or damage to any Computer Equipment of the type described in paragraph a. of this Exclusion

unless, in respect of loss or damage to other property arising from a.i., ii. or iii. above resulting from a concurrent or subsequent cause not excluded by this or any other Policy exclusion

- d. loss or destruction of or damage either to Computer Equipment or any other property where it consists of or arises directly out of:
  - i. the erasure, loss, distortion, corruption or unauthorised access to or modification of information on computer systems or other records, programs or software by rioters, strikers, locked-out workers, persons taking part in labour disturbances or civil commotions or malicious persons
  - ii. the erasure, loss, distortion, corruption or unauthorised access to or modification of information on computer systems or other records, programs or software due to any cause not included in d.i. above
  - iii. any misinterpretation, use or misuse of information on computer systems or other records, programs or software

unless, in respect of d. ii. and iii. above, such loss, destruction or damage results from a concurrent or subsequent cause not excluded by this or any other Policy exclusion

- e. any financial loss or expense of whatsoever nature including but not limited to business interruption, where it arises directly or indirectly from the type of loss or destruction or damage described in paragraphs c. and d. of this Exclusion

unless, in respect of c., d. ii. and iii. above, the financial loss or expense results from a concurrent or subsequent cause not excluded by this or any other Policy exclusion.

For the purpose of this Exclusion:

**Computer Equipment**

means computer equipment, component, system or item which processes, stores, transmits or retrieves data, or any part thereof, whether the property of the Insured or not, whether tangible or intangible and including without limitation any information, programs or software.

**Virus or Similar Mechanism**

means any program code, programming instruction or other set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, data files or operations (whether involving self replication or not), including but not limited to "Trojan Horses", "Worms" or "Logic Bombs".

**Hacking**

means unauthorised access to any computer or computer equipment, component, system or item, whether the property of the Insured or not, which processes, stores, transmits or retrieves data.



## General Conditions

### 1. Fair Presentation

You must make a fair presentation of the risk prior to inception of this Policy or subsequent renewal or mid-term when asking Us to consider any variation or amendment to the Policy. This includes disclosing to Us all circumstances material to the risk being insured that You know of or those circumstances that You reasonably ought to know of.

In the event that You fail to make a fair presentation and but for that breach We would either have not entered into this Policy or would have done so on different terms and/or conditions, then We shall be entitled as follows:

#### Inception/renewal

If Your failure to make a fair presentation was:

- a. deliberate or reckless, We may avoid the Policy, and treat it as though it had not existed and retain any premiums paid; or
- b. not deliberate or reckless but We would not have entered into the Policy, then We may still avoid the Policy and treat it as though it had not existed but will return any premiums paid; or
- c. not deliberate or reckless, and We would have entered into the Policy on different terms other than premium, then We may treat the Policy as being subject to those amended terms and/or where We would have charged an increased premium, then We may reduce the payment of any indemnity proportionate to any increase in the premium that would have been charged.

#### Mid-Term Variation

If Your failure to make a fair presentation was:

- a. deliberate or reckless, We may treat the **Policy** as having been terminated as at the date of the variation and retain any premiums paid; or
- b. not deliberate or reckless but We would not have entered into the variation on any terms, then We may treat the Policy as if the variation was never made but will return any extra premiums paid upon the variation; or
- c. not deliberate or reckless, and we would have agreed to a variation but on different terms other than premium, then We may treat the variation as being subject to those amended terms and/or where We would have charged an increased premium, then We may reduce the payment of any indemnity proportionate to any difference in the premium that was or would have been charged but for the misrepresentation.

### 2. Data Protection

From 25th May 2018 the General Data Protection Regulation (GDPR) came into effect. Protector Insurance is committed to ensuring that privacy is protected and has updated its Privacy Policy accordingly. The Privacy Policy is a statement explaining what data is collected from customers and how it is used. The Privacy Policy can be accessed on the Company website

<https://www.protectorinsurance.co.uk>

From time to time the contents of this policy may be updated and you should check the website periodically for updates.

### 3. Appointed Agent

Where you have declared an existing relationship with an Appointed Agent as described below you agree that this Agent is a data processor in relation to Your data and the insurance contract.

You agree that all processing undertaken on your behalf is performed in a manner compliant with Regulation (EU) 2016/679 EU (GDPR) Article 28 and governed by a separate contract between You and the Processor. You agree that the contract will contain the provisions, requirements and conditions as prescribed by Article 28 (3) GDPR.

You warrant that due to this agreement between you and the Agent, the Agent has full capacity, authority and necessary approvals to exchange and process data with You and Protector as required for the purpose of fulfilment of this contract and in line with Protector's published Data Privacy Notice.

Appointed Agent is deemed to mean any party other than an appointed advisor or Protector, who performs a service such as claims handling in connection with this policy on your behalf.

#### 4. Company Information

Protector Insurance is the UK permanent establishment of an overseas Public Limited Company. We are an Prudential Regulation Authority and Financial Conduct Authority EEA authorised firm, FCA financial services register number: 602381. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request. Our UK registered office address is: 7th Floor, 3 Hardman Street, Spinningfields, Manchester, M3 3HF. Companies House registration number: FC033034. Protector delivers land based insurance to commercial and public sector clients and we distribute our products through insurance brokers. We provide no personal recommendation or advice about the insurance products offered, and any financial advice needed should be sought from an authorised intermediary. We are covered by the Financial Services Compensation Scheme (FSCS) which means that you may be entitled to compensation if we are unable to meet our obligations to you. Further information is available on [www.fscs.org.uk](http://www.fscs.org.uk) or by contacting the FSCS directly on 0800 678 1100. Provision of Insurance cover for any territory outside of Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, is underwritten by our principal firm, Protector Forsikring ASA.

Protector Forsikring ASA is supervised by the Norwegian financial services regulator, Finanstilsynet. Organisation number: 985279721.

Registered office address: Aker Brygge, Støperigata 2, 0250 OSLO, Norway.

Further information regarding our principal firm's regulatory permissions is available on the Finanstilsynet's registry: <https://www.finanstilsynet.no/en/finanstilsynets-registry/>

For more information on our principal firm Protector Forsikring ASA, please refer to the Oslo stock exchange:

[https://www.oslobors.no/ob\\_eng/markedsaktivitet/#/details/PROTCT.OSE/insiders](https://www.oslobors.no/ob_eng/markedsaktivitet/#/details/PROTCT.OSE/insiders)

#### 5. Complaints

We're proud of the service we provide to our brokers and clients, but we know that sometimes things can go wrong. Our aim is to get it right, first time every time. If we make a mistake we will learn from it and try to put it right promptly.

We will always confirm to you the receipt of your complaint within five working days and do our best to resolve the problem within four weeks. If we cannot we will let you know when an answer may be expected. If we have not resolved the situation within eight weeks and you are an 'eligible' complainant you may be entitled to refer it to the Financial Ombudsman Service. For more information on eligibility please refer to the Financial Ombudsman Service at:

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

Should you wish to make a complaint then it should be directed to:

Customer Relations Manager

Protector Insurance

7th Floor

3 Hardman Street

Manchester

M3 3HF

Tel: 0161 274 9077

e-mail: [csm@protectorinsurance.co.uk](mailto:csm@protectorinsurance.co.uk)

The Insurer will acknowledge the Insured complaint within 5 business days of receipt. In the unlikely event that the Insured complaint has not been resolved within 4 weeks of receipt, the Insurer will write and advise the Insured of the reasons why and the further action the Insurer will take.

Within eight weeks of receipt the Insurer will either issue the Insured with a final response letter detailing the outcome of our investigation and our decision, or a letter confirming when the Insurer anticipate to have its investigation.

If the Insured are unhappy with our decision, or if the Insurer does not complete its investigation within eight weeks, the Insured may refer the Insured complaint to the Financial Ombudsman Service (FOS) who will liaise with us on the Insured's behalf. The FOS will inform the Insured directly of its decision. If the Insured does not accept the FOS's decision, then referral to the FOS will not prejudice the Insured's right to take subsequent legal proceedings.

Their address is:

The Financial Ombudsman Service

Exchange Tower

London E14 9SR

Consumer helpline number: 0800 0234567

## 6. Cancellation

Other than where General Condition 7 Fraud applies this Insurance may be cancelled by the Insurer sending 14 days' notice by recorded delivery letter to the last known address of the Insured stating the reason for cancellation. Where this condition is exercised, the Insured shall become entitled to a return of premium in respect of the unexpired portion of the Period of Insurance after any adjustment of the Premium paid as provided for by any conditions in the Policy, and subject to no claim having been paid or being outstanding in respect of the expired portion of the Period of Insurance.

If the premium for this Policy is paid by periodic instalment, whether by direct debit or otherwise and in the event that the Insured fails to pay one or more instalments whether in full or in part the Insurer may cancel the Policy by giving 14 days notice in writing to the Insured sent to their last known address.

## 7. Claims

If any **incident** occurs which may give rise to a claim under this policy or any section of it, or the Insured becomes aware of any such incident after it has occurred, or the Insured receives in writing any notice of any claims or legal proceeding the **Insured** shall:

- a. notify the Insurer as soon as reasonably possible;
- b. pass immediately, and unacknowledged, any letter of claim to the Insurer;
- c. notify the Police authority immediately in respect of any theft, attempted theft, malicious damage, accidental loss or Act of Terrorism, to the extent that Terrorism is Insured by this Policy;
- d. carry out and permit any action to be taken which may be reasonably practicable to prevent further loss, destruction, damage or consequential loss;
- e. retain unaltered and unrepaired anything in any way connected with the loss, destruction, damage or consequential loss for as long as the Insurer may reasonably require;
- f. supply at its own expense full details of the claim in writing together with any supporting information, receipt and proofs which the Insurer may reasonably require.
- g. not pay, offer or agree to pay any money or make any admission of liability without the prior consent of the Insurer
- h. allow the Insurer in the name of and on behalf of the Insured to take over and, during such periods as the Insurer thinks proper, to have the absolute conduct and control of all negotiations and proceedings which may arise in respect of any claim and the settlement thereof and co-operate fully with the Insurer for that purpose.

No claim under this Policy shall be payable unless the terms of this General Condition have been complied with and any payment on account of a claim already made shall be repaid to the Insurer.

## 8. Fraud

If any claim made under this policy by the Insured or anyone acting on behalf of the Insured is fraudulent the Insured may:

- i. refuse to pay the claim;
- ii. recover from the Insured any sums that the Insurer has already paid in respect of the claim;
- iii. notify the Insured that we will treat the Policy as having terminated with effect from the time of the fraudulent act;
- iv. keep the premium.

In that event We terminate the Policy in accordance with this Condition:

- a. We will have no liability for any matter subsequently arising which might otherwise have been covered by the Policy; and
- b. the termination of the Policy will not affect Our liability for matters otherwise covered by this Policy prior to the fraudulent act.

## 8. Multiple Insured

The Company agrees that if the Insured described in the Schedule comprises more than one Group of Companies then the cover provided by this Policy shall apply in the same manner and to the same extent as if an individual Policy had been issued to each separate Group of Companies declared to the Company

## 9. Observance of Policy Terms

It is a condition of Our liability to pay claims that You shall observe and comply with the terms and conditions of this Policy.

Breach of any term within this Policy requiring something to be done or complied with may entitle Us to refuse to pay a claim. In the event of such a breach We will not reject the claim under this clause provided that the term that has been breached is not one which defines the risk as a whole and You can demonstrate that Your non-compliance could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred

**10. Payment of Premium**

The Policy will provide insurance as described herein for the Period of Insurance shown on the Schedule, provided that the premium(s) and other charges are paid to and accepted by Us on or before the payment date shown in the Schedule. Taxes, levies and other relevant fiscal charges are payable in addition to the premium.

The premium is deemed paid and accepted on receipt by Us, or the broker appointed to place this insurance with Us.

**11. Sanctions**

The Insurer shall not provide cover and the Company shall not 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 the 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

## Section 1 - Property Damage All Risks

### Definitions

#### Damage or Damaged

Accidental physical loss of, destruction of or damage to the Property Insured.

#### Day One Rebuilding Value (Day One Basis)

Total of the costs described within paragraphs a., b., c., d. and e. of the Basis of Settlement (at the level of costs applying at the commencement of the Period of Insurance) in rebuilding the Buildings or replacing the Contents to a condition substantially the same as their condition when new.

#### Specified Events

Fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, escape of water from any tank apparatus or pipe or impact by any road vehicle or animal.

#### Occurrence

Shall mean one event or series of events consequent on or attributable to one source or original cause

#### Premises

The Buildings at the location(s) as stated in the Schedule or in any list of Premises or Locations as supplied by the Insured and lodged with the Insurer and used by the Insured for the purposes of the Business, including their grounds, all within the boundaries for which the Insured are responsible.

#### Property/Property Insured

Buildings, contents, and other property belonging to the Insured or for which the Insured are responsible, as shown and/or described in the Schedule.

For the purpose of determining where necessary the heading under which any property is insured, the Insurer agrees to accept the designation under which such property has been entered into the Insured's books of accounts.

#### Buildings

The buildings (including foundations) at the Premises including the following all situate on in or at the Premises

- a) interior decorations, fixtures and fittings (including communal television and radio receiving aerials satellite dishes communication equipment and related fittings on or in a Residential Property), fixed glass fixed sanitary ware in on or pertaining to the buildings
- b) Contents of Common Areas including carpets, models, exhibitions and seasonal items introduced into shopping centres.
- c) video, audio and building management and security systems and equipment
- d) gangways, pedestrian malls, pedestrian access bridges, hardstandings, bollards, barriers, flag poles, lamp posts, street furniture walls gates fences and Services including Sustainable Drainage Systems (SuDS).
- e) fuel tanks and their ancillary equipment and pipe work
- f) car parks roads pavements forecourts tennis courts and similar hard surfaced areas all being constructed of solid materials
- g) landscaping (including trees shrubs plants turf and other forms of vegetation) including garden furniture street furniture ornaments and statues but excluding external ponds and lakes.

#### Contents

Fitted carpets, furnishings and other contents of reception and storage areas and other communal parts of the buildings at the Premises, including

- a) the contents of fuel tanks at the Premises
- b) portable communal property in the open grounds of and used in connection with the buildings at the Premises
- c) Money, belonging to the Insured at the Premises for an amount not exceeding £1,000 in total
- d) deeds, documents, manuscripts and business books, but only for the cost of the materials and clerical labour expended in reproducing such records

- e) computer systems records, but only for the cost of the materials and of clerical labour and computer time expended in reproducing such records
- f) rare books or works of art for an amount not exceeding £5,000 any one article or £25,000 in total and so far as they are not otherwise insured
- g) partners', directors', and employees' personal effects of every description (other than motor vehicles) whilst at the Premises, for an amount not exceeding £2,000 for any one person.

**Contract Works**

Temporary or permanent works executed or in the course of execution at the Premises by or on behalf of the Insured for the purposes of alterations or improvements to the Premises including unfixed site materials for use in connection therewith.

**Services**

Telephone gas electricity water mains drains, including sustainable drainage systems, gutters and sewers electrical instruments meters piping cabling and the accessories thereto providing services to or from the Buildings.

**Money**

Negotiable instruments which must be current coinage cash, bank and currency notes, cheques, crossed bankers drafts, postal orders, luncheon vouchers, current postage stamps, trading stamps, National Insurance stamps, Holiday with Pay stamps, National Savings stamps, National Savings certificates, Premium Bonds, credit sales vouchers or receipts, VAT purchase invoices, unexpired units in franking machines, gift tokens and consumer redemption vouchers belonging to the Insured or for which the Insured are responsible.

**Unoccupied**

Any building or portion of a building that is empty, void, vacant or disused or no longer in active use for a period exceeding 30 consecutive days in respect of any building or portion of a building used for commercial purposes increasing to 60 days in respect of any building or portion of a building used for residential purposes..

**Stipulations**

European Union legislation or Building Regulations or public authority or other statutory requirements.

**Declared Value**

The base value shown in brackets in the Schedule below the Sum Insured excluding any provision for inflation.

**Residential Property**

The flat or a block of flats apartment block maisonette or house situate at the Premises.

**Cover**

The Insurer will indemnify the Insured against Damage arising from any accidental cause, occurring during the Period of Insurance, subject always to the Excess(es) and the limits, terms, conditions and exclusions of this section of the Policy.

**Basis of Settlement**

Subject to the following terms, the Insurer will pay to the Insured the value of the Property Insured or the amount of the Damage at the time of its loss destruction or damage in respect of each item specified in the Schedule.

The Insurer will pay for the following, subject to the Extensions in respect of Property Insured which has suffered Damage

**a. Reinstatement**

- i where Property Insured is lost or destroyed, the rebuilding of the property, if a Building, or, in the case of other property, its replacement by similar property, in either case in a condition equal to but not better or more extensive than its condition when new
- ii 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.

provided that:

- i The work of reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the Insured subject to the liability of the Insurer not being thereby increased) must be commenced and carried out with reasonable despatch; otherwise no payment beyond the amount which would have been payable under this Policy if this Clause had not been incorporated herein shall be made.
- ii When any Property Insured is damaged or destroyed in part only the liability of the Insurer shall not exceed the sum representing the cost that the Insurer could have been called upon to pay for reinstatement if such property had been wholly destroyed.
- iii No payment beyond the amount which would have been payable by the Insurer under this Policy if this Clause had not been incorporated therein shall be made until the cost of reinstatement shall have been actually incurred by the Insured.

If the Insured elects not to rebuild or restore the Property Insured (and provided that the Insurer does not exercise its option allowed by the Insurer's Option to Rebuild Condition) the Insurer shall pay either:

1. the loss of market value, being the reduction in the market value of the Property Insured immediately following the Damage solely as a result of the Damage but not exceeding the amount which would have been payable under the cost of reinstatement as described in a. above; or
2. if the Insured are required to rebuild or restore the Property Insured solely as a result of the Damage in a manner different from that immediately before the Damage solely to comply with the Stipulations (subject to agreement by the Insurer that such compliance is unavoidable), then the loss of market value, being the reduction in market value of the Property Insured immediately following Damage and the amount payable shall be the cost of reinstatement as described in a. above and a cash settlement representing the reduction in market value, provided that:
  - i the Insured have made every effort to regain the original planning consent
  - ii the Insured shall not have nor had any reason to be aware of any Stipulations which could result in the Property Insured not being rebuilt or restored in their original form
  - iii the amount payable shall be reduced by any compensation received or allowance made to the Insured as a result of such Stipulations being imposed
  - iv the total payment made is no greater than the amount that would have been payable had the Property Insured been rebuilt or restored in an identical manner to their condition immediately before the Damage
  - v the total amount recoverable under any item shall not exceed its Sum Insured

**b. European Union & Public Authorities Stipulations (including Undamaged Portions)**

the cost of complying with the Stipulations being such additional cost of rebuilding or repair as may be incurred with the Insurer's consent in complying with the Stipulations first imposed upon



the Insured following the Damage provided that the work of rebuilding or repair be commenced and carried out without unreasonable delay

The liability of the Insurer shall not exceed in respect of any one claim

- i. in respect of complying with Stipulations relating to undamaged portions of the Buildings (other than foundations) 15% of the amount the Insurer would have been liable to pay to reinstate the Buildings had they been wholly destroyed
- ii. in respect of the property suffering Damage the Sum Insured applicable to each separate Premises

Provided that the Insurer will not be liable for

- i the costs incurred in respect of Damage occurring prior to the granting of this cover or Damage not insured by this Section
- ii the costs incurred where notice has been served upon the Insured before the date of the Damage or where an existing requirement must be completed within a stipulated period
- iii the additional cost that would have been required to make good the Property Damaged to a condition equal to its condition when new, had the necessity to comply with such Stipulations not arisen
- iv increases in costs attributable to unreasonable delays in rebuilding or restoring or complying with Stipulations unless such delays are wholly outside the control of the Insured
- v any rate tax duty development or other charge or assessment which may arise out of capital appreciation as a result of complying with any of the Stipulations

**c. removal of debris**

the cost of removing debris being the cost incurred with the Insurer's consent in

- i removing debris dismantling demolishing shoring up and propping portions of the Property Insured
- ii clearing cleaning or repairing Services as a result of Damage

but excluding any costs or expenses

- i. incurred in removing debris except from the site of the Property Insured and the area immediately adjacent to such site
- ii. arising from pollution or contamination of property not insured by this Policy.
- iii. in respect of Damage which occurred prior to the granting of cover under this insurance

**d. Landscaping**

the cost of replanting trees shrubs plants and turf used in landscaping 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.

**e. Professional Fees**

the cost of professional fees necessarily and reasonably incurred in the rebuilding or restoration of the Property Damaged but not for preparing any claim.

**Limit of Liability**

the most the Insurer will pay for any one claim is

- A. the Total Sum Insured or for each item its individual Sum Insured or any other limit of liability in this Section whichever is the less at the time of the Damage
- B. the amount of the Sum Insured or limit of liability remaining after deduction for any other Damage occurring during the same Period of Insurance unless the Insurer agrees to reinstate any such Sum Insured or limit of liability

Irrespective of the number of insured parties the total liability of the Insurer to all of the insured parties collectively in respect of the cover insured by this Section shall not exceed the Total Sum Insured 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.

## Section 1 - Extensions

### 1. Archaeological Discoveries

The Insurer will pay the reasonable costs incurred by the Insured solely in consequence of Damage as insured by this Section, as a direct result of the Insured complying with their statutory obligations following the discovery of archaeological finds during site excavation Provided that

- a. the liability of the Insurer in respect of any one claim shall not exceed £100,000
- b. the Insured does not have any pre-existing knowledge of the presence of archaeological remains prior to the date of the Damage

### 2. Automatic Reinstatement

In consideration of the Sums Insured not being reduced by the amount of any loss, the Insured undertakes to pay the appropriate additional premium on the amount of the loss from the date thereof to the expiry of the Period of Insurance, and to carry out any measures that the Insurer may require to prevent further damage or enhance the security of the Premises. Subject to the Insurer's liability not exceeding the Sum Insured in respect of any one item in respect of any one Occurrence.

### 3. Buildings awaiting Demolition

If at the time of Damage any Buildings are awaiting demolition the liability of the Insurer shall be limited to the additional cost of removing debris (as detailed in The Basis of Settlement paragraph c.) which is incurred by the Insured solely as a result of such Damage

### 4. Buildings awaiting refurbishment redevelopment or renovation

If at the time of the Damage any Buildings or Property is awaiting refurbishment redevelopment or renovation the Insurer shall not be liable for any costs which would have been incurred by the Insured in the absence of such Damage.

### 5. Capital Additions

To the extent that they are not otherwise insured, Buildings and Contents items include alterations additions and improvements (but not appreciation in value in excess of Sums Insured) within the United Kingdom

Provided that

- a. the maximum liability of the Insurer for any one claim shall not exceed
  - i. 20% of the Declared Value for each item covered, or
  - ii. £5,000,000 in respect of any one Premises occupied solely for office, retail or residential purposes
  - iii. £2,000,000 in respect of any one Premises occupied for any other purposes

whichever is the less at any one Premises

- a. the Insured shall give details of such alterations and additions to the Insurer within 6 calendar months of the commencement date of the Insured's responsibility, effect specific cover retrospective to such date and pay the appropriate additional premium
- b. this Extension shall not apply in addition to any cover provided under the Newly Acquired Buildings or Inadvertent Omission to Insure Extension.

### 6. Concern for Welfare Costs

The Insurer will pay the reasonable costs incurred by the Insured as a result of 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 liability of the Insurer shall not exceed £10,000 in respect of any one claim.

### 7. Continuing Interest and Hire Charges

In the event of Damage at the Premises where the Insured are 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 are responsible and which is not otherwise insured the Insurer will pay such charges actually

and reasonably incurred subject to a limit of £10,000 any one claim and in total in any one Period of Insurance.

#### **8. Contracting Purchaser's Interest**

If at the time of Damage the Insured has contracted to sell their interest in any Building and the purchase has yet to be confirmed when completion takes place the purchaser will be entitled to the benefit under Section 1 provided always that the property is not otherwise insured.

#### **9. Contractors Interest**

When the Insured is required by the terms or conditions of any contract to cover Buildings in the joint names of the Insured and of any contractor or sub-contractor named in such contract, the Insurer agrees to note such joint interests provided that the Insured shall notify the Insurer of details of any single contract valued at £250,000 or more, in advance of commencement of the work and pay any additional premium the Insurer may require.

#### **10. Contract Works**

Cover for each Buildings item extends to include Contract Works undertaken in performance of any contract and for which the Insured are responsible under the terms of the contract

Provided that

- i. the Insurer's liability shall not exceed £250,000 in respect of any one contract (unless stated otherwise in the Schedule) in respect of all losses arising out of one occurrence
- ii. this insurance shall only apply in so far as the Contract Works are not otherwise insured.

#### **11. Contribution and Underinsurance (Average)**

If at the time of Damage any other insurance has been effected by or on behalf of the Insured covering any of the Property Damaged, the Insurer's liability under this Section shall be limited to the Insurer's rateable proportion of such Damage.

If such other insurance is subject to Underinsurance (Average), this Section if not already subject to Underinsurance (Average) shall be subject to Underinsurance (Average) in like manner.

If such other insurance is subject to any provision which excludes it from ranking concurrently with this Section, either in whole or in part, or from contributing rateably, the liability of the Insurer under this Section shall be limited to that proportion of the Damage which the Sum Insured for this Section bears to the value of the Property as if such other insurance was not subject to any excluding or limiting contribution provisions.

#### **12. Dangerous Structures Notice**

In the event that following Damage a local authority issue a Dangerous Structures Notice which requires the demolition of the whole or part of the Building insured and as a direct consequence of that notice the costs of such demolition are thereby increased the Policy extends to indemnify the Insured in respect of such additional costs

Provided that

- i. this extension does not replace Basis of Settlement – Reinstatement c. Removal of Debris
- ii. the Insurers liability shall not exceed £50,000 any one claim

#### **13. Delays in Rebuilding**

The Insurer shall not be liable for increases in costs attributable to unreasonable delays in rebuilding or restoring or complying with Stipulations unless such delays are wholly outside the control of the Insured.

#### **14. Dilapidation**

In the event that a lessee vacates a Building without prior notification to the Insured or their agents solely due to the liquidation or bankruptcy of the lessee or the business of the lessee being placed into administration or receivership the Company will pay the reasonable costs incurred in clearing and removing any property of the lessee in or around the Premises.

Provided that:

allowance is made for any subsequent recovery from the lessee

## 15. Electrical Apparatus

If any electrical apparatus or fittings are Damaged by fire due to self-ignition, over-running, excessive pressure, short circuiting, self-heating or leakage of electricity, the Insurer shall not be liable for Damage to the particular piece of apparatus or fitting which has caused the fire, but the Insurer shall be liable for Damage to any other apparatus or fittings in consequence of such fire if such other apparatus or fittings are otherwise insured under this Section.

## 16. Emergency Services

The Insurers will pay the reasonable costs incurred by the Insured following damage resulting from the actions of the emergency services, including deliberate acts where such deliberate acts are for the purpose of safeguarding human life or minimising Damage as insured by this Section.

## 17. Environmental Protection

This section extends to include the reasonable additional cost of reinstatement incurred with the written consent of the **Insurers** to make the following improvements during the reinstatement, repair or replacement of the Property insured following Damage:

- a. ecological, environmental and sustainable improvements of a similar type being incorporated in new **buildings** of similar use and value within the Territorial Limits, including improvements made in accordance with the British Research Establishment Environmental Assessment Method (BREEAM) for the construction of buildings
- b. improvements to comply with recommendations made under the current Energy Performance Certificate (or local equivalent) for the Property Insured
- c. reinstatement to a standard above that required in respect of building or other regulations under or framed in pursuance of any Act of Parliament or bye-laws of any municipal or local authority where such standard would otherwise result in a recommendation for improvement to be made in a subsequent Energy Performance Certificate (or local equivalent) assessment

Provided that:

- i. the Insurer will not be liable for any undamaged portions of the Property Insured
- ii. the Insurer will not be liable for the amount of any charge or assessment due to capital appreciation which may be payable in respect of the Property arising out of the works funded by the application of this extension
- iii. the Insurer will not be liable for the cost incurred in complying with any building or other regulations under or framed in pursuance of any Act of Parliament or bye-laws of any municipal or local authority where notice has been served upon the insured prior to the happening of the Damage
- iv. if the liability of the Insurer under any item of this part other than this extension is reduced by the application of any terms and conditions of this part then the liability of the Insurer under this extension in respect of any such item will be reduced in proportion.

The liability of the Insurers under this extension shall not exceed 10% of the Buildings Sum Insured at each Premises or £50,000 (in the aggregate) whichever is less.

## 18. Eviction of Squatters

The Insurer will pay reasonable costs and expenses necessarily incurred with the Insurer's prior consent to remove or evict squatters from the Buildings

Provided that the Insurer will not be liable for

- a. fines, penalties, compensation or damages arising in the course of removal or eviction
- b. occupation by squatters occurring prior to the inception of this Section
- c. £50,000 any one claim in the aggregate any one Period of Insurance
- d. such costs more specifically insured

## 19. Exhibitions and Models

The item on 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

- e. such equipment is the property of the Insured or the Insured has accepted responsibility for the equipment at the time of Damage
- f. the maximum liability of the Insurer any one claim and in the aggregate any one Period of Insurance shall not exceed £25,000
- g. no other more specific insurance has been arranged

## **20. Extra Security Costs**

This Section extends to include the costs reasonably incurred and necessitated by the Insured with the Company's prior consent (such consent will not be unreasonably withheld) following Damage by any cause not otherwise excluded in order to provide the Premises with temporary additional physical protection including but not limited to boarding up windows doors fan lights skylights and or other openings the provision of temporary doors weatherproofing the Buildings and making temporary repairs to secure the Buildings and securing the site and engaging security personnel

provided that the liability of the Insurer shall not exceed £100,000 any one claim

## **21. Failure of Other Insurances**

This Section extends to include Damage to Buildings in which the Insured has an insurable interest or leased by the Insured which by virtue of lease requirements are required to be insured by another party and where that party has failed to maintain in force such insurance.

Provided that:

- a. a valid and enforceable lease is in force
- b. the Insured has procedures in place to check that lessees and lessors have effected and maintain adequate insurance cover;
- c. the Insured effects adequate insurance cover immediately they become aware of a failure to insure for the full Sum Insured on Buildings;
- d. the Insured could not have prevented such failure;
- e. this extension operates only :
  - i. in respect of the excess beyond the amount payable under such insurance
  - ii. where the policy provides at least the extent of cover provided by this Policy
- f. the liability of the Insurers shall not exceed £500,000 any one claim.

## **22. Falling Trees**

This Section extends to include Damage resulting from falling trees including the cost of removing fallen trees and or parts thereof and or the cost of felling and or lopping and removing trees which represent an immediate threat to the safety of life and or Damage to buildings

## **20. Fire Brigade**

The Insurer will pay the reasonable costs charged by any Public Authority relating to the extinguishing or fighting of fire.

Provided that the liability of the Insurer in respect of any one claim shall not exceed the Sum Insured at each separate Premises or the Total Sum 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.

## **21. Fire Extinguishers and Sprinklers**

The Insurer will pay the reasonable costs incurred by the Insured in re-filling fire extinguishers, local or fixed fire suppression system or sprinkler installation, replacing sprinkler heads, and having any fire and/or intruder alarms and closed circuit television equipment re-set solely in consequence of Damage by a Specified Event

Provided that

- h. the Insurer shall not be liable in respect of any costs and expenses recoverable from the maintenance company or fire service
- i. the liability of the Insurer in respect of any one claim shall not exceed £50,000

**22. Fixed Glass & Sanitary ware**

Cover under this Section extends to include Damage to fixed glass, (including shelves, showcases and mirrors), fixed sanitary ware and neon and illuminated signs.

Cover is extended to include the reasonable cost of

- j. any necessary boarding up or temporary glazing pending full replacement
- k. replacing alarm foil, lettering, painting, embossing, silvering or other ornamental work on glass
- l. Damage to framework and to Contents caused by broken glass
- m. removing and re-fixing window fittings and other obstacles to replacing broken glass

The Insurer will not pay for Damage

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

**23. Flood resilience**

This section extends to include cover for the reasonable costs incurred with the Insurer's prior written consent to make the following improvements during the reinstatement, repair or replacement of the Property Insured following Damage arising from the perils of storm and flood:

- a. utilisation of materials with improved water resilience in the repair or reinstatement of the buildings; and
- b. the relocation within the same building of replacement fixtures and fittings to an area of less exposed to damage by water arising from storm and flood,

Provided that the Insurers limit of liability under this extension shall not exceed £250,000 any one claim.

**24. Fly Tipping**

The insurance by each item on Buildings extends to include costs necessarily and reasonably incurred in clearing and removing any property illegally deposited in on or around the Premises provided that

- n. the liability of the Insurer shall not exceed £50,000 any one claim and £100,000 in aggregate in respect of all claims in any one Period of Insurance
- o. the Insurer shall not be liable for the amount of the Excess shown in the Schedule or

£500 whichever is the greater.

**25. Freeholders, Lessees and Mortgagees**

It is agreed that mortgagees, freeholders and lessors shall not be prejudiced by any increase in the risk of Damage resulting from any act of negligence of any mortgagor, leaseholder, lessee or occupier of any Building(s) insured by this Section, provided such increase in risk is without their prior knowledge or authority and that the Insurer are notified immediately they become aware of such increase in risk.

**26. Further Investigation Expenses**

Where any Buildings have suffered Damage this section extends to include the reasonable costs and expenses necessarily incurred by the Insured with the Insurers written consent in establishing whether or not Damage has occurred:



- i when any Building(s) have suffered Damage and in the opinion of a competent construction professional there is the reasonable possibility of other Damage to portions of the same Building(s) which is not immediately apparent;
- ii in establishing whether or not other Building(s) in the immediate vicinity have suffered Damage in the same incident but only if such Building(s) are subsequently found to have suffered such Damage for which the Insurer is liable under this Section

Provided that the Insurer's limit of liability not exceed £25,000 any one claim or the Sum Insured at each separate Premises or the Total Sum 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.

## **27. Gardening Equipment**

Cover extends to include Damage to gardening equipment owned by the Insured and used in connection with the Business at the Premises

Subject to the Insurers limit of liability not exceeding £10,000 any one claim.

## **28. General Interests & Hire Agreements**

The Insurer agrees to automatically note the interest of any other party if requested by the Insured in any of the Property Insured and which attached before the happening of any Damage but only to the extent that such interest is not otherwise insured and subject to their identity being disclosed in writing to the Insurer by the Insured in the event of Damage.

## **29. Illegal Cultivation of Drugs**

The section extends 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:

- i. internal and external checks of the buildings are carried out by the insured in accordance with the terms of the lease;
- ii. the insured maintains a log of such inspections and retains that log for at least 24 months

## **30. Inadvertent Omission to Insure**

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

- a. the maximum liability of the Insurer for any one claim shall not exceed
  - i. £5,000,000 in respect of any one Building occupied solely for office, retail or residential purposes
  - ii. £2,000,000 in respect of any one Building occupied for any other purposes, or
  - iii. £1,000,000 in respect of any one Unoccupied Building
- b. the Insured shall carry out at not less than twelve monthly intervals a check to ensure that effective insurance is in force for all property owned or leased by the Insured or for which the Insured are responsible
- c. the Insured shall give details in writing immediately an omission is discovered and within 30 days of the date of discovery shall provide the Insurer with the sums insured to apply for any such property and effect specific cover retrospective to such date and pay the appropriate additional premium
- d. in respect of any Buildings purchased for refurbishment or redevelopment the Basis of Settlement upon which the amount payable shall be calculated shall be the value of the Property Insured or the amount of the Damage at the time of the Damage less an appropriate deduction for wear and tear and prior depreciation and in respect of any Premises due for demolition the Basis of Settlement shall be limited to the costs associated with clearing and securing the Buildings
- e. this Extension shall not apply in addition to any cover provided under the Newly Acquired Buildings or Capital Additions Extension or in respect of any appreciation in value

- f. the value of the property which has been inadvertently omitted shall for the purpose of Underinsurance (Average) be added to the Sum Insured on the item to which the Property relates or in the case of Reinstatement (Day One Basis) the Declared Value.

**31. Index Linking**

Unless the Insured requests to the contrary, the Sums Insured and/or Declared Values will be adjusted to take into account movements in the appropriate index and renewal premiums will be based on the adjusted Sums Insured and/or Declared Values.

For Buildings, the General Building Cost Index issued by the Building Cost Information Service of the Royal Institution of Chartered Surveyors or for Residential Property the Household Rebuilding Cost Index issued by the Association of British Insurers (or some other suitable index the Insurer decides upon) will be used. For Contents and other Property shown and/or described in the Schedule, the Retail Price Index (or some other suitable index the Insurer decides upon) will be used.

The above percentage changes will continue to be applied between the date of any Damage and the date when replacement or repair has been completed provided that the work of rebuilding or repair be commenced and carried out without unreasonable delay.

**32. Insurance Premiums**

Cover extends to include the cost of any insurance premiums, or in respect of inherent defects policies technical agents fees, necessarily and reasonably incurred by the Insured with the consent of the Insurer as a result of Damage, in arranging contract works policies with the Insurer or in continuing with any pre-existing inherent defects policies

Provided that the Insurer's liability in respect of all losses arising out of one occurrence and in the aggregate in any one Period of Insurance shall not exceed £25,000 (unless amended otherwise in the Schedule).

**33. Involuntary Betterment**

In the event that new property of a similar kind and quality is not obtainable, new property which is as similar as possible to that suffering Damage and which is capable of performing the same function, shall be deemed to be new property of a similar kind and quality and in no event shall this be considered as a betterment to the Insured.

The Insurers will also pay the cost of purchasing and installing technologically current equipment which is necessitated by incompatibility between new equipment installed to replace equipment suffering Damage and undamaged existing equipment at the same or an interdependent location provided that:

- a. the Insurers shall only be liable for the amount sufficient to enable the Insured to resume operations in substantially the same manner as before the Damage
- b. the Insurers shall only be liable for the difference between the highest sales value of the undamaged property at the same or interdependent location and the installed cost of the technologically current equipment.

**34. Japanese Knotweed Removal**

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 of The Wildlife and Countryside Act 1981 or any subsequent amending legislation discovered during the period of insurance from the insured Premises and to safely dispose of the waste in accordance with the provisions under the Environmental Protection Act 1990 (Duty of Care) Regulations 1991 or any subsequent amending legislation.

Provided that the liability of the company does not exceed £10,000 any one claim and £30,000 in the aggregate and during any one period of insurance.

**35. Leased and Rented Premises**

Cover includes Buildings situated within the United Kingdom owned by the Insured for which (by the terms of an agreement with the Insured) the tenant lessee or other occupier of the building has an obligation to insure but has inadvertently failed to maintain such insurance in force

Provided that

- a. a valid and enforceable agreement is in force
- b. the Insured has obtained written confirmation from the tenant lessee or occupier and their Insurers at the inception of any such agreement that insurance is in force providing at least the extent of cover provided by this Section and carry out at not less than twelve month intervals a check to ensure that effective insurance is in force for all such Buildings
- c. the Insured advise the Insurer immediately in writing when they become aware of any Buildings inadvertently left uninsured and within 30 days of discovery of the failure to insure the Insured will provide the Insurer with the sums insured to apply, arrange insurance with the Insurer and pay the appropriate premium due from the date the liability of the Insurer commenced
- d. this insurance shall apply in respect of claims arising directly from a contingency specified in the agreement but only in so far as such contingencies are also insured by this Section and not otherwise excluded
- e. in respect of any Buildings purchased for refurbishment or redevelopment the Basis of Settlement upon which the amount payable shall be calculated shall be the value of the Property Insured or the amount of the Damage at the time of the Damage less an appropriate deduction for wear and tear and prior depreciation and in respect of any Premises due for demolition the Basis of Settlement shall be limited to the costs associated with clearing and securing the Buildings
- f. The Insurer shall not be liable
  - i for the amount of any Excess
  - ii where the tenant lessee or other occupier's policy fails due to any breach of any condition or warranty contained within the tenant lessee or other occupier's policy and as a result of the action of the landlord
  - iii where any Damage has been declined by any Insurer or made the subject of requirements which have not been completed
  - iv due to the failure of the tenant lessee or other occupier to make or pursue a legitimate insurance claim
- g. this Extension shall not apply in addition to any cover provided under the Capital Additions or Inadvertent Omission to Insure Extension
- h. the maximum liability of the Insurer for any one claim shall not exceed
  - iv. £2,000,000 in respect of any one Building occupied solely for office, retail or residential purposes
  - v. £1,000,000 in respect of any one Building occupied for any other purposes, or
  - vi. £500,000 in respect of any one Unoccupied Building or Buildings undergoing or awaiting refurbishment or redevelopment

but in no case shall the liability of the Insurer exceed the difference between the amount payable under the insurance effected by the landlord or lessee or other party or any other insurance on the Premises and the total cost of reinstatement as provided by this Section.

### **36. Loss Minimisation and Prevention Expenditure**

Cover extends to include reasonable costs and expenses necessarily incurred by the **Insured** in:

- a. Preventing or mitigating **Damage to Property Insured** in the event of imminent **Damage**
- b. Preventing or mitigating further **Damage to Property Insured** after or in consequence of actual **Damage**.

Provided always that:

- i The impending **Damage** was not reasonably foreseeable and would be the natural outcome if such costs and expenses were not incurred
- ii The costs and expenses incurred prevented or mitigated the **Damage**

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

### **37. Managing Agents - Professional Fees**

The Basis of Settlement paragraph e. is extended to include professional fees necessarily and reasonably incurred in the rebuilding or repair of the Property Insured payable to the Insured's managing agents when acting as professional advisers but not for any costs or fees incurred in preparing a claim. The use of such advisers will be accepted as necessary where the Insured would have employed them in respect of reinstatement or other work of an equivalent nature in the normal course of their Business. The cost of professional fees shall include the reasonable fees of managing agents where

- i. they are in respect of work of benefit to the Insurer and
- ii. they relate to work which is necessary for repair or reinstatement and
- iii. they have been agreed with the Insurer in advance but shall not include fees which are incurred as part of the managing agent's general administrative handling of a claim

Provided that the liability of the Insurer does not exceed for each item its individual Sum Insured or the Total Sum Insured or any other limit of liability in this Section whichever is the less at the time of any Damage.

### **38. Metered Supplies**

Cover extends to include cover for additional metered water charges incurred by the Insured, following Damage insured hereby at the Premises during the Period of Insurance. The Insurer shall not be liable for any such charges incurred by the Insured in respect of any Unoccupied Building(s). The basis upon which the amount payable is to be calculated shall be the amount of the water or gas charges for the period during which the Damage occurs, less the charge made to the Insured for the corresponding period in the preceding year, adjusted for changes in the water or gas suppliers' charges and for variations affecting the water or gas consumption of the Insured during the intervening period. Subject to the maximum liability of the Insurer not exceeding £50,000 any one claim.

### **Munitions of War**

General Exclusion 2 will not apply in respect of Damage to the Property Insured caused by or resulting from the detonation of munitions of war or parts thereof, at or within one mile of the boundary of the Premises

provided that:

- a. the presence of such munitions does not result from a state of war current at the time of the Damage.
- b. the Insurers shall not be liable for Any One Claim in excess of £50,000 as a result of Damage caused by or resulting from the detonation of munitions of war or parts thereof.

### **39. Newly Acquired Buildings**

This Section is extended to include Buildings situated within the United Kingdom from the date of exchange of contracts for Buildings newly acquired by the Insured from the date of practical completion for Buildings previously insured under a construction policy in the United Kingdom to the extent that the Insured's interest is not protected by any other or more specific insurance

Provided that

- a. the Insured shall give details in writing of such Premises as soon as reasonably practicable and shall effect specific cover retrospective to such date of exchange or date of practical completion and pay the appropriate additional premium
- b. this cover shall operate for a maximum period of 30 days from the date the Insured acquired their interest in the Premises
- c. this insurance shall not apply in respect of any cause or cover otherwise excluded from this Section
- d. the maximum liability of the Insurer for any one claim shall not exceed
  - i. £5,000,000 in respect of any one Building occupied solely for office, retail or residential purposes
  - ii. £2,000,000 in respect of any one Building occupied for any other purposes, or
  - iii. £1,000,000 in respect of any one Unoccupied Building
- e. in respect of any Buildings purchased for refurbishment or redevelopment the Basis of Settlement upon which the amount payable shall be calculated shall be the value of the Property Insured or the amount of the damage at the time of the damage less an appropriate deduction for wear and tear and prior depreciation and in respect of any Premises due for demolition the Basis of Settlement shall be limited to the costs associated with clearing and securing the Buildings
- f. this Extension shall not apply in addition to any cover provided under the Capital Additions or Inadvertent Omission to Insure Extensions.

### **36. Obsolete Building Materials**

The Basis of Settlement in respect of Buildings extends to include the reasonable additional costs incurred in replacement of Damaged materials 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 after the Damage

The Buildings shall not be regarded as being better or more extensive than when new provided that the Insurer's liability in respect of any one claim is limited to

- a. 10% of the Declared Value of such Buildings in respect of such additional costs or
- b. the Sum Insured at each separate Premises or the Total Sum 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.

### **37. Partial Damage**

Where Damage occurs to only part of a Building the Insurer's liability for all costs in total shall not exceed the amount which the Insurer would have been liable to pay to rebuild the building had it been totally destroyed.

### **38. Preservation of Undamaged Property**

The insurance provided by this section is extended to include costs necessarily and reasonably incurred by the Insured in dismantling and or moving and or removing undamaged Property within and or to and or from suitable alternative Premises including haulage and warehousing charges incurred. Provided that the liability of the Insurer shall not exceed the Sum Insured by any one item.

### **39. Privity of Contract**

The insurance provided by this Section is extended to provide indemnity to the Insured in respect of Premises in the United Kingdom

1. against legal liability as former landlord or tenant to any current landlord or tenant to insure repair or reinstate Damage to the Buildings of Premises which
  - i. arises solely through the Landlord and Tenant (Covenant) Act 1995; and
  - ii. arises from a breach by any current landlord or tenant of its obligations under a lease to insure repair or reinstate Damage by any of the causes or covers insured by this Section to any Assigned Premises such that the Insured is also thereby in breach of those obligations;

and

  - iii. arises out of any claim which is first made in writing to the Insured during the Period of Insurance and notified to the Insurer during or within 30 days after expiry of the same Period of Insurance
2. against legal liability for claimant's costs and expenses in connection with 1. above
3. in respect of
  - i. costs of legal representation at proceedings in any court arising out of any occurrence specified in 1. above which may be the subject of indemnity under this Extension
  - ii. all other costs and expenses in relation to any matter which may form the subject of a claim for indemnity under 1. above

incurred with the written consent of the Insurer

Provided that

- a. the indemnity shall not apply to legal liability arising from any cause happening before the retroactive date which shall be the inception date of this Section of the Policy unless stated otherwise in the Schedule
- b. the liability of the Insurer including the costs and expenses of the claimant and the costs and expenses (incurred with the written consent of the Insurer) of the Insured in respect of any one claim for Buildings shall not exceed in respect of any one Premises or in the aggregate in any one Period of Insurance £2,000,000 or as specified in the Schedule
- c. notwithstanding proviso b. above in no case shall the liability of the Insurer exceed the lesser of
  - i. the difference between;

- a) the amount payable under any insurance effected by any other landlord former landlord tenant former tenant or any other insurance of this type and
- b) the total cost of insurance repairs or reinstatement as provided by this Section except that if at the date of the occurrence or event giving rise to such liability the Assigned Premises are undergoing or awaiting refurbishment redevelopment renovation or demolition, then the liability of the Insurer shall not exceed the lesser of
- c) the total cost of insurance repairs or reinstatement as provided by this Section except that if at the date of the occurrence or event giving rise to such liability the Assigned Premises are undergoing or awaiting refurbishment redevelopment renovation or demolition, then the liability of the Insurer shall not exceed the lesser of
- ii. the difference between
  - (a) the amount payable under any insurance effected by any other landlord former landlord tenant former tenant or any other insurance of this type and
  - (b) the amount payable calculated as being the value of the Property Insured or the amount of the Damage at the date of the Damage less an appropriate deduction for wear and tear and prior depreciation and in respect of any Premises due for demolition the Basis of Settlement shall be limited to the costs associated with clearing and securing the Assigned Premises

but in no case under c. i or ii above shall the Insurer's liability exceed the rateable portion of the Damage calculated according to the number of persons (whether or not insured) who have at the time held or who hold the reversion of the lease of the Assigned Premises
- d. the Insured must take all reasonable steps including but not limited to making or joining in any necessary application to court to obtain release from its liabilities as former landlord or tenant of the Assigned Premises following disposal
- e. the Insurer shall not be liable for the costs of remedying the presence of asbestos, asbestos dust or asbestos containing materials
- f. cover under this Basis of Settlement Adjustment shall cease upon any of the following events
  - i the current landlord or tenant entering into a new lease with the successors in title
  - ii the existing lease being assigned to the new successors in title
  - iii the Buildings being in turn sold or disposed of by the successors in title

For the purposes of this Extension **Assigned Premises** shall mean Buildings formally owned by or leased by or leased to the Insured which have been assigned to a successor landlord or tenant prior to an occurrence which may form the subject of a claim for indemnity under 1. above.

#### **40. Reinstatement on another site**

The work of reinstatement of the Property Insured may be wholly or partially carried out upon another site and in any manner suitable to the requirements of the Insured provided that it does not increase the liability of the Insurer.

#### **41. Reinstatement to Match**

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

Cover also extends to include

- i. the cost of replacement or modification of undamaged Property (other than stock) insofar as it is necessary to adapt it to operate in conjunction with lost destroyed or damaged Property which has been replaced repaired or restored
- ii. the cost of replacement repair or modification of undamaged parts of a Building that form part of a matching set of articles or suite of common design or function where the Damage is restricted to a clearly identifiable area or to a specific part.

Provided that

- a. the total liability of the Insurer is not increased beyond the amount
  - i. that would otherwise have been payable for the replacement repair or restoration of the property lost destroyed or damaged in its original form
  - ii. that would otherwise have been payable for replacement repair or modification of the whole property forming a set suite common design or function if such property had been wholly destroyed
- b. the Insurer shall be liable only for the amount sufficient to enable the Insured to resume operations in substantially the same manner as before the Damage
- c. where the property is lost destroyed or damaged in part only the Insurer will not pay more than the amount representing the cost which the Insurer would pay for reinstatement if such property had been wholly destroyed
- d. the liability of the Insurer in respect of any one claim shall not exceed the Sum Insured at each separate Premises or the Total Sum 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.

#### **42. Removal of Debris - Contents**

To the extent that they are not otherwise insured this section is extended to include costs and expenses necessarily and reasonably incurred by the Insured with the consent of the Insurer 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 Insurer 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.

The liability of the insurer under this extension shall not exceed £5,000 any one claim.

#### **43. Removal of Wasp and Bee Nests**

This section is extended to include the cost of removing wasps or bees nests from buildings at the Premises up to an amount of £5,000 any one claim.

Provided that the Insurer will not pay for the cost of removing nests already in buildings at the Premises prior to inception of this cover.

#### **44. Replacement of Locks and Keys**

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 Insurer shall not exceed £7,500.

#### **45. Residential Property - Rent or Alternative Accommodation**

Where as a result of Damage the buildings of a Residential Property are rendered uninhabitable or access is prevented to such Residential Property the Insurer will indemnify the Insured in respect of

- a. the reasonable additional costs of comparable accommodation incurred by the owner lessee or tenant and temporary storage of residents furniture (including the reasonable costs of accommodation in kennels and/or catteries for residents dogs and/or cats if dogs and/or cats are not permitted in such residents alternative accommodation)
- b. the loss of rent paid or payable to the Insured by tenants for accommodation provided and services rendered including service and management charges at the Premises

during the period necessary to restore the Residential Property to a habitable condition or to make it accessible

Provided that

- i. cover for such costs shall only apply to the extent that such costs are not otherwise insured



- ii. the maximum period during which payment under this Extension will be made shall not exceed 24 calendar months from the date of the Damage unless agreed otherwise by the Insurer in writing
- iii. the liability of the Insurer under this Extension shall not exceed in total 33.33% of the Declared Value applying to the Residential Property or to the parts of the Residential Property Damaged.

Terms to the contrary elsewhere in this Section are over-ridden as follows in respect of those costs and such rent to which this Extension applies:

The liability of the Insurer may exceed in the whole the Total Sum Insured where such excess is solely in respect of Rent or Alternative Accommodation payable under this Basis of Settlement Adjustment.

#### 46. Seventy Two Hours Clause

Damage occurring within 72 consecutive hours of and arising from the Specified Events of Storm or Flood is deemed to be one claim. The Insured have the right to select the moment from which the 72 hour period shall be deemed to have commenced within the terms of this Section, provided that such Damage occurred prior to expiry of the Period of Insurance.

#### 47. Sprinkler Installation Upgrading Costs

This section extends to include additional costs incurred following Damage to any automatic sprinkler installation in the event that on repair or reinstatement the Insurer requires it to conform to the British Standard or European Code of Practice rules for Automatic Sprinkler Installations current at that time. Provided that:

- a. at the time of the Damage there is no existing requirement to upgrade the automatic sprinkler installation at the Premises where the Damage occurred within a given time
- b. the upgrade to the automatic sprinkler installation must be completed within 12 months of the date from which the Insurer notifies the Insured of the requirement to upgrade the automatic sprinkler installation or such further period as agreed with the Insurer within the said 12 months
- c. no amount will be payable by the Insurer until the cost of conforming with the prevailing British Standard or European Code of Practice rules for Automatic Sprinkler Installations has been incurred
- d. the liability of the Insurer in respect of any one claim shall in no case exceed
  - vii. 20% of the Sum Insured on the item including such sprinkler installation or the Sum Insured at each separate Premises; or
  - viii. 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.

#### 48. Subsidence

1. this Section is extended to include **Damage** caused by subsidence, landslip or ground heave of any part of the site on which the **Property Insured** stands, excluding Damage:

- a. resulting from:
  - i. Collapse, cracking, shrinkage or settlement of Building(s) or any part thereof;
  - ii. Coastal or river erosion;
  - iii. defective design or workmanship or the use of defective materials, including inadequate construction of foundations;
  - iv. settlement or movement of made up ground;
  - v. the normal settlement or bedding down of

new structures;

- b. to forecourts, car parks, driveways, footpaths, walls, gates, hedges or fences, unless specifically insured hereunder where such **Damage** also affects the structure of the **Building(s)** insured herein against such Damage;
- c. which originated prior to the inception of this cover;
- d. resulting from:
  - i. demolition, construction, structural alteration or repair of any **Building(s)**;
  - ii. groundworks or excavation;

at the same **premises**.

### Special Conditions

- i. the **Insured** shall notify the **Insurer** immediately they become aware of any demolition, groundworks, excavation or construction being carried out on any adjoining site.
- ii. The **Insurer** shall then have the right to vary the terms or cancel cover in respect of subsidence, ground heave or landslip.

### 49. Temporary Removal

This section is extended to include temporary removal, including transit within the territorial limits of:

- a. property insured by this section for cleaning, renovation or repair; or
- b. deeds, documents and plans to any building

Provided that the liability of the Insurer does not exceed 10% of the Sum Insured for each item covered for Damage occurring elsewhere other than at the Premises.

### 50. Temporary Removal - Documents

If deeds and other documents (including stamps on them), manuscripts, plans and writings of every description, books and other business records are included in the Property Insured, such items are covered whilst temporarily removed to any address elsewhere than at the Premises, including whilst in transit, within the United Kingdom.

The Insurer will not pay for:

- a. such items more specifically insured
- b. more than £25,000 any one claim.

### 51. Theft Damage to Buildings

Cover includes loss destruction or damage of or to the Buildings or parts of the Buildings covered by this Section (or of or to buildings or parts of buildings not covered by the Section but for which the Insured are responsible), including the cost of any temporary boarding-up and making good necessary to keep the Premises secure, caused by theft or attempted theft but excluding:

- a. loss destruction or damage of or to any Unoccupied Building unless agreed otherwise by the Insurer in writing
- b. loss destruction or damage expedited or in any way brought about by the Insured or any partner director or employee of the Insured or any other person who has a legal right to be on the Premises (unless by theft or attempted theft involving entry to or exit from the Premises by forcible or violent means or following threat of or assault or violence to the Insured or any partner director or employee of the Insured or any other person who has a legal right to be on the Premises)
- c. loss destruction or damage of property for which the Insured is not liable for repairing such loss destruction or damage or which the Insured is able to recover from another source or which is more specifically or otherwise insured
- d. loss destruction or damage caused by or consisting of disappearance or unexplained shortage

Exclusion 2.c. in this Section does not apply to this Extension.

### 52. Trace and Access

In the event of Damage in consequence of escape of water or fuel oil from any tank, apparatus or pipe, the Insurer will pay the costs necessarily and reasonably incurred by the Insured in locating the source of such Damage, and in the subsequent making good of Damage caused as a consequence of locating such source, up to an amount of £75,000 any one claim.

### 53. Tree Felling and Lopping

This Section extends to include costs incurred by the Insured in removing or lopping trees which are an immediate threat to the safety of life or of Damage to the Property Insured. Subject to the Insurers liability not exceeding £10,000 any one claim but excluding any costs or expenses:

- a. arising from Legal or Local Authority costs involved in removing trees
- b. incurred solely to comply with a Preservation Order.

**54. Unauthorised Use of Supplies**

This Section is extended to include the cost of water, gas, electricity or other metered supply charges incurred by the Insured and for which the Insured are legally responsible, up to an amount of £50,000 any one claim, due to unauthorised use by persons taking possession of, keeping possession of or occupying any Premises without the written consent of the Insured, provided that:

- a. the Insured shall take all practical steps to terminate such unauthorised use as soon as it is discovered
- b. the Insured has advised the Insurer of such unauthorised use immediately on becoming aware of it
- c. Section Condition 3 has been complied with by the Insured.

**55. Value Added Tax**

The insurance on each item on Buildings extends to include Value Added Tax paid by the Insured and 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 item relates following Damage
- b. the Insurer has paid or has agreed to pay for such Damage
- c. if any payment made by the Insurer in respect of the reinstatement or repair of such Damage shall be less than the actual cost of the reinstatement or repair of the Damage, any payment under this clause resulting from that Damage shall be reduced in like proportion
- d. the Insured's liability for such tax does not arise from the replacement building having a greater floor area than or being better or more extensive than the destroyed or Damaged Buildings
- e. where an option to rebuild on another site is exercised, that the Insurer's liability under this clause shall not exceed the amount of tax that would have been payable had the Buildings been rebuilt on its original site
- f. the Insurer's liability under this clause shall not include amounts payable by the Insured as penalties or interest for non payment or late payment of tax
- g. the Insured has taken all reasonable precautions to insure adequately for Value Added Tax liability from the inception of this insurance and at each subsequent Renewal Date

Terms to the contrary elsewhere in this Section are over-ridden as follows in respect of those items to which this Extension applies

- i. for the purpose of any condition of Underinsurance (Average) rebuilding costs shall be exclusive of Value Added Tax
- ii. the liability of the Insurer may exceed the Sum Insured by an individual item on Buildings or in the whole the Total Sum Insured where such excess is solely in respect of Value Added Tax.

**56. Workmen**

Workmen shall be allowed on the Premises for the purpose of carrying out, decorations or alterations without prejudice to this Insurance

## Section 1 - Exclusions

The Insurer shall not indemnify the Insured for:

**1. Damage caused by or consisting of**

- a. Inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level, its own faulty or defective design or materials;
- b. The operation of machinery, plant, apparatus or equipment unless such operation is in accordance with the manufacturers' instructions or specification;
- c. Explosion occasioned by the bursting of a boiler (not being a boiler used for domestic purposes only), economiser or other vessel, machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Insured.

**2. Damage caused by or consisting of:**

- a. Corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, humidity, action of light, marring, scratching, vermin or insects;
- b. Change in temperature, colour, flavour, texture or finish;
- c. 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;
- d. a deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunication services

but this shall not exclude:

- i. Such Damage which itself results from a Specified Event or from any other accidental loss, destruction or damage;
- ii. subsequent Damage which itself results from a cause not otherwise excluded.

**3. Damage caused by pollution or contamination but the Insurer will pay for destruction or damage to the Property Insured not otherwise excluded, caused by**

- a. pollution or contamination which itself results from a Specified Event
- b. any Specified Event which itself results from pollution or contamination.

**4. Damage caused by or consisting of mechanical or electrical breakdown, derangement or overloading in respect of the particular machine, apparatus or equipment in which such breakdown, derangement or overloading originates;**

But this shall not exclude:

- a. damage to surrounding property not forming part of the same machine, apparatus or equipment;
- b. damage which results from a Specified Event or from any other cause not being an Excepted Cause or otherwise excluded;
- c. subsequent Damage which itself results from a cause not being an Excepted Cause or otherwise excluded.

**5. Damage caused by or consisting of theft or attempted theft unless:**

- a. involving forcible and violent entry to or exit from Buildings at the Premises;
- b. involving assault or violence or threat of assault or violence to the Insured or any partner, director or employee of the Insured or members of their families or any other person lawfully on the Premises;
- c. Damage caused by theft or attempted theft from yards, gardens, open spaces or in open fronted Buildings or in Buildings not on permanent foundations.

**6. Damage caused by or consisting of:**

- a. acts of fraud or dishonesty on the part of the Insured or any partner, director or employee of the Insured, members of their families or any other person to whom Property Insured has been entrusted;
- b. unexplained, disappearance, unexplained or inventory shortage, misfiling or misplacing of information;

unless caused by Damage not being the result of an Excepted Cause in respect of machine or apparatus in which the records are mounted.

8. Damage in respect of buildings or structures caused directly by their own collapse or cracking unless such Damage results from a Specified Event and is not otherwise excluded.
9. Damage caused directly by wind, rain, hail, sleet, snow, flood or dust to:
- a. moveable property in the open or in open sided buildings or contained in Outbuildings;
  - b. fences and gates.
10. Damage caused directly by fire resulting from its undergoing any process involving the application of heat.
11. Damage in respect of:
- a. jewellery, precious stones, precious metals, bullion, furs, curiosities, rare books or works of art (other than provided under definition of contents);
  - b. glass (other than Glass), sanitary ware, china, earthenware, marble, statuary or other fragile or brittle objects.
- but this shall not exclude Damage caused by a Specified Event and not otherwise excluded.
12. Damage in respect of:
- a. property in transit except as provided for in Extensions 48 and 49
  - b. vehicles licensed for road use (including accessories thereon), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
  - c. property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection;
  - d. land, roads, pavements, piers, jetties, bridges, culverts or excavations;
  - e. livestock, growing crops or trees
- unless specifically mentioned in the Schedule as insured by this section.
13. Damage or Consequential Loss (other than by fire) resulting from:
- a. Property undergoing any process of production;
  - b. Property undergoing any process of packing, treatment, testing, commissioning, servicing, repair or any other process;
14. Damage caused directly by
- a. the escape of water from any tank, apparatus or pipe;
  - b. malicious persons (other than by fire or explosion) not acting on behalf of or in connection with any political organisation;
  - c. caused directly by freezing;
  - d. caused directly by theft or attempted theft;
- in respect of any Unoccupied Building.
15. Consequential loss or damage of any kind or description, except loss of rent (alternative accommodation) when such loss is insured by this Section.
16. Damage to any electrical apparatus or fittings by fire due to self-ignition, over-running, excessive pressure, short circuiting, self-heating or leakage of electricity, the Insurer shall not be liable for Damage to the particular piece of apparatus or fitting which has caused the fire, but the Insurer shall be liable for Damage to any other apparatus or fittings in consequence of such fire if such other apparatus or fittings are otherwise insured under this Section.
17. Damage in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of riot, civil commotion, and (except in respect of Damage by fire or explosion) strikers, locked out workers, persons taking part in labour disturbances or malicious persons.
18. Any Excess specified in the Schedule

## Section 1 - Conditions

### 1. Alteration in Risk

The Insured shall notify the Insurer as soon as reasonably practicable if after the commencement of this insurance the risk is materially increased. The Insurer has the right with effect from the date of the material increase to charge an additional premium and/or amend the Excess and/or apply limits and/or apply exclusions of cover, to reflect what the Insurer could have reasonably demanded had the increased risk been declared prior to commencement of this Policy.

Additionally if after the commencement of this insurance:

- a. the Insured's interest ceases except by the operation of law; or
- b. the Business is wound up or carried on by a liquidator or receiver, or put into administration or otherwise permanently discontinued;

the Insurer shall have the right to serve notice on the Insured in accordance with the cancellation clause in this policy.

### 2. Arbitration

If any difference arises as to the amount to be paid under this Section (liability being otherwise admitted by the Insurer), such difference shall be referred to an arbitrator to be appointed by the Insured and the Insurer in accordance with statutory provisions.

Where any difference is referred to arbitration in accordance with this condition, the making of an award shall be a condition precedent to any right of action against the Insurer.

### 3. Contribution

If at the time of any loss, destruction or Damage there is any other insurance covering such incidents, the Insurer will only pay our rateable proportion of such loss.

### 4. Declaration

At the inception of each Period of Insurance, the Insured shall notify the Insurer of the Declared Value of the Property Insured. In the absence of such declaration the last amount declared by the Insured will be taken as the Declared Value for the forthcoming Period of Insurance, appropriately adjusted if Index Linking applies.

### 5. Explosion - Engineering Inspections

In respect of any vessel machinery or apparatus or its contents belonging to or under the control of the Insured which must be examined to comply with any statutory regulations cover against loss destruction or damage caused by an explosion originating therein is subject to the provision that such vessel machinery or apparatus shall be the subject of a policy or other contract providing the required inspection service.

### 7. Insurer's Option to Rebuild

The Insurer may at its option rebuild repair reinstate or restore the Property destroyed or portions damaged but without it being bound to rebuild repair reinstate or restore the Property in exactly or completely the same form as immediately prior to the Damage and only where circumstances permit and in reasonably sufficient manner. If the Insurer exercises such option the Insured shall at their own expense (unless otherwise provided for in this Section) produce and give to the Insurer all such plans documents books and information as the Insurer may reasonably require.

### 8. Non-invalidity

The Insurance under this Section shall not be invalidated by any act or omission or by any alteration whereby the risk of Damage is increased unknown to or beyond the control of the Insured provided that the Insured shall give notice to the Insurer as soon as reasonably practicable after such act or omission or alteration comes to the notice of the Insured and shall pay any additional premium required by the Insurer.

### 9. Reasonable precautions

The insured must take reasonable precautions to keep the Property Insured secure and in a good state of repair.

**10. Reinstatement**

If any Property Insured is to be reinstated or replaced by the Insurer, the Insured must at their own expense provide all such plans, documents, books and information as may reasonably be required.

The Insurer 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.

**11. Seventy Two Hour Provision**

Damage occurring within 72 consecutive hours of and arising from the Specified Events of Storm or Flood is deemed to be one claim. The Insured have the right to select the moment from which the 72 hour period shall be deemed to have commenced within the terms of this Section, provided that such Damage occurred prior to expiry of the Period of Insurance.

**12. Subrogation**

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

**13. Subrogation Waiver**

The Insurer agrees to waive any such rights to which the Insurer might become entitled by subrogation against:

1. a tenant or lessee in respect of Damage to the part of the Premises in the demise of that tenant or lessee or to common parts of the Premises unless the Damage arises out of a criminal fraudulent or malicious act
2. any Company being a parent of or Subsidiary to the Insured or any Company which is a Subsidiary of a Parent Company of which the Insured are themselves a Subsidiary in each case within the meaning of Section 736 and 744 of the Companies Act 1985 or Articles 2 and 4 of the Companies (Northern Ireland) Order 1986
3. any Managing agent acting on behalf of the Insured but excluding Damage due to Managing agent's gross negligence or wilful misconduct.

**14. Unoccupied Buildings**

It is a condition precedent to the liability of the Insurer that:

When any Building(s) become(s) Unoccupied:

- a. the Premises are secured against illegal entry firmly secured so as to prevent unauthorised entry;
- b. all mains services, electricity gas and water are turned off at the mains providing this does not affect other Premises in which case supplies to that part of the Property owned by the Insured should be turned off, except for the electricity supply to maintain any fire or intruder alarm.  
alternatively the heating may be left in operation at a level which will provide protection throughout the property against frost damage;
- c. all water pipes and tanks are drained down, except those connected to automatic sprinkler systems or other fire suppression systems or alternatively maintain a level of sufficient heating to prevent freezing of automatic sprinkler installations during the period 1st October to 1st April each year;
- d. the Premises are kept clear of all moveable combustible material;
- e. the Insured or [its/any] authorised employee of the Insured's appointed agent shall inspect the Premises at least once every 14 days and a record of these inspections are kept for inspection by the Insurer;
- f. any defects in maintenance or security shall be rectified immediately.



**15. Underinsurance (Average)**

The Sums Insured by any items for Buildings or Contents are declared to be separately subject to Average. This means that if the Declared Value at each separate Premises is less than the Day One Rebuilding Value at the time of the Damage the Insurer's

- a. liability for any loss shall be limited to that proportion of the amount otherwise payable which the Declared Value bears to the Day One Rebuilding Value. If the loss is settled under the Indemnity Basis of Settlement the Declared
- b. Value shall be 115% of the base value shown or if no base value is shown it shall be deemed to be the Sum Insured
- c. any other items of the Property Insured (other than any Sum Insured or Limit of Liability applying solely to Rent, Fees or Removal of Debris) are declared to be separately subject to Underinsurance (Average).

This means that if at the time of Damage the Sum Insured for any item at each separate Premises is less than the value of the item covered by such Sum Insured, the amount payable by the Insurer will be proportionally reduced.

**16. Waiver of Average - Professional Valuations**

In the event of damage, the Insurer agrees to waive the provisions of Extension Clause 55. Underinsurance (Average) and of Average in Clause 11. Contribution and Underinsurance (Average)

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 five years prior to the date of the damage; and
- b. the Insured provides documentary evidence of interim annual revaluations being completed in accordance with the Royal Institute of Chartered Surveyors rebuilding cost index and that the declared value under this Policy has been and continues to be calculated reflecting such revaluations; and
- c. appropriate allowance in Declared Values for inflationary increases in each period of insurance between valuations

## Section 2 - Loss of Rent All Risks

### Definitions

#### Business Interruption

Loss resulting from interruption of or interference with the Business carried on by the Insured at the Premises in consequence of Damage.

#### Damage or Damaged

Accidental physical loss of, destruction of or damage to the Property Insured.

#### Indemnity Period

- A. For occupied Premises or occupied parts of Premises:

The period beginning with the occurrence of the Damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business shall be affected in consequence of the Damage

- B. For Unoccupied Premises:

- i. which are not let but are tenantable and for which there is evidence of an agreement with a prospective tenant

The period beginning with the date upon which but for the Damage Rent would have commenced to be payable and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business shall be affected in consequence of the Damage

- ii. which are not let but are tenantable but for which there is no evidence of an agreement with a prospective tenant

The period beginning with the date upon which but for the Damage it is anticipated that Rent would have commenced to be payable and ending not later than

- a. the date upon which the building or that part of the building Damaged is restored to its pre-damaged condition and is capable of direct occupation, or  
b. the Maximum Indemnity Period thereafter

whichever is the earlier during which the results of the Business shall be affected in consequence of the Damage.

#### Maximum Indemnity Period

The period shown in the schedule.

#### Premises

The Buildings at the location(s) as stated in the Schedule or in any list of Premises or Locations as supplied by the Insured and lodged with the **Insurer** and used by the Insured for the purposes of the Business, including their grounds, all within the boundaries for which the Insured are responsible.

#### Rent

- A. For occupied Premises or occupied parts of Premises

means the money paid or payable to the Insured for accommodation provided in the course of the Business at the Premises.

- B. For Unoccupied Premises

being the amount that it is reasonably anticipated would have been paid or payable to the Insured by tenants for accommodation provided and services rendered at the Premises in course of the Business, provided that

- i. in respect of Premises which are not let but are tenantable and for which there is Evidence of an agreement with a prospective tenant such amount applying at the date upon which but for the Damage Rent would have commenced

- ii. in respect of Premises which are not let but are tenantable but for which there is no Evidence of an agreement with a prospective tenant such amount and the date upon which but for the Damage Rent would have commenced will be determined having regard
  - a. to actual negotiations with prospective tenants both before and after the date of the Damage
  - b. to the demand for and the general level of rents applying to similar accommodation in the locality at the date of the Damage

Evidence for the purpose of this definition shall mean leases to be signed or in course of negotiations and that such leases or negotiations are evidenced by exchange of contracts or exchange of legally binding letters of intent containing a specified completion date or similar legally binding documents

If required the advice of a professional valuer acceptable to both the Insured and the Insurer will be sought and such fees will be included in the indemnity provided

**Residential Property**

The flat or a block of flats apartment block maisonette or house situate at the Premises occupied for domestic residential purposes.

**Specified Events**

Fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, escape of water from any tank apparatus or pipe or impact by any road vehicle or animal.

**Unoccupied**

Any building or portion of a building or a Residential Unit in a building that is empty, void, vacant or disused or no longer in active use for a period exceeding 30 consecutive days or 60 days in respect of any building solely used for residential purposes.

**Cover**

The Insurer will indemnify the Insured against interruption or interference with the Business carried on by the Insured at the Premises arising from Damage occurring during the Period of Insurance and not otherwise excluded, subject to the limits, terms, conditions and exclusions of this Section of the Policy.

The Insurer will pay the Insured, subject to the Extensions, in respect of each item

- a. the loss of Rent being the actual amount by which the rent during the Indemnity Period falls short of the Rent which but for the Damage would have been received by the Insured
- b. the costs of re-letting being the expenditure necessarily and reasonably incurred from the date of the Damage until the expiry of the Indemnity Period in consequence of the Damage in re-letting the Premises (including legal fees managing agents costs or other charges in connection with such re-letting) solely in consequence of such re-letting
- c. the additional expenditure being the additional expenditure (other than that recoverable under b. above) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Rent which but for that expenditure would have taken place during the Indemnity Period

Provided that

- a. At the time of the happening of the Incident there is insurance in force covering the Interest of the Insured in the Property against such loss or damage and that:

- i. payment shall have been made or liability admitted under such insurance, or
- ii. payment would have been made or liability would have been admitted thereunder but for the operation of a proviso excluding liability for losses below a specified amount

except that this proviso shall not apply in respect of any item on Rent where another party (not being the Insured) is responsible for insuring the Premises by virtue of lease or other contractual arrangements

- b. the Insurer will not pay the Insured for
  - i. additional expenditure exceeding the loss of Rent thereby avoided
  - ii. legal fees or other charges payable by any new tenant acquired in re-letting the Premises in consequence of the Damage
  - iii. any amounts saved during the Indemnity Period in respect of any of the charges and expenses of the Business payable out of Rent that may cease or may be reduced.

**Limit of Liability**

The most the Insurer will pay for any one claim in any one Period of Insurance is

- i. 200% of the Rent Sum Insured stated in the Schedule
- ii. in respect of any other item 100% of its Sum Insured or any other limit of liability applicable to such item in this Section whichever is the less at the time of the Damage
- iii. in total the sum of 200% of the Rent Sum Insured and 100% of the Sum Insured or limit of liability for any other items in this Section whichever is the less at the time of the Damage
- iv. the amount of the Sum Insured or limit of liability remaining after deduction for any other Damage occurring during the same Period of Insurance unless the Insurer agrees to reinstate any such Sum Insured or limit of liability

Irrespective of the number of insured parties the total liability of the Insurer to all of the insured parties collectively in respect of any of the Covers insured by this Section shall not exceed the total Sum Insured 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****1. Accountants & Legal Fees**

If any of the Premises suffer Damage the Insurer will pay the reasonable charges payable by the Insured and incurred with the consent of the Insurer to

- a. their auditors or professional accountants for producing such information as may be required by the Insurer under the terms of the General Claims Condition and for reporting that such information is in accordance with the Insured's accounts
- b. their lawyers for determining their contractual rights under any rent cesser clause or insurance break clause contained in the lease

but not for any other purposes in the preparation of any claim.

Provided that the Insurer's liability in total in any one Period of Insurance shall in no case exceed 200% of the Sum Insured specified against the relative item or any Limit of Liability stated in the Policy whichever is the lower.

**2. Additional Increase in Costs of Working**

Where an item for Additional Increase in Cost of Working is shown in the Schedule, cover extends to include additional expenditure beyond that the Insurer will pay as indemnity in respect of Increase in Cost of Working under the Basis of Settlement, necessarily and reasonably incurred in consequence of Damage for the purposes of avoiding or diminishing the loss of Rent during the Indemnity Period.

The most the Insurer will pay for any one claim is the Sum Insured shown in the Schedule.

**3. Alternative Premises**

If during the Indemnity Period accommodation shall 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 for such accommodation or services shall be taken into account in arriving at the Rent during the Indemnity Period.

**4. 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 Insurer will pay for any one claim is the Sum Insured shown in the Schedule. The following Definitions apply in respect of this cover:-

**Geographical Limits**

At the Premises or any other Premises in the United Kingdom occupied by persons acting on behalf of the Insured, to which 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 other business books or records

**Outstanding Debit Balances**

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

- a. bad debts
- b. amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the Insured's books at the time of the event) to customers' accounts in the period between the date to which the total last recorded relates and the date of the 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.

The following Basis of Settlement applies in respect of this cover:-

The Insurer 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

- i. the difference between the Outstanding Debit Balances and the total of the amounts received or traced in respect thereof
- ii. the additional expenditure necessarily and reasonably incurred with the Insurer's prior consent for the sole purpose of tracing and establishing customers' debit balances after the loss, destruction or damage;

excluding any loss or expenditure arising from bad debts or erasure, distortion or corruption or deliberate falsification of Business records.

If the Sum Insured at the time of the Damage is less than the Outstanding Debit Balances, the amount payable will be proportionately reduced.

Provided that:

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 Insurer 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 Insurer will not pay for any claim unless the terms of this Condition have been complied with, and any payment on account already made shall be repaid to the Insurer.

#### **5. Current Cost Accounting**

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

#### **6. Payments on Account**

The Insurer will make payments on account during the Indemnity Period, if the Insured so request, subject to any necessary adjustment at the end of the Indemnity Period.

#### **7. Trends and Variations**

Adjustments shall be made in arriving at the actual Rent during the Indemnity Period and the Maximum Indemnity Period to reflect any trends or circumstances (including but not limited to prospective increases in Rent under the terms of the lease or leases of the Premises) which affect the Business either before or after the date of the Damage and which would have affected the Business had the Damage not occurred so that the adjusted figure will represent, as near as possible, the results which would have been achieved during the relative period had the Damage not occurred.

#### **8. Value Added Tax**

All terms in this Section shall be exclusive of value added tax to the extent that the Insured are accountable to the tax authorities for such tax.

## Section 2 – Extensions

### 1. Action of Competent Authority

This insurance extends to include interruption of or interference with the Business due to prevention or hindrance of the use of the Premises or access thereto as a result of action by the police or other competent local, civil or military authority following a danger or disturbance including bomb threat hoax or actual within the vicinity of the premises

Solely for the purposes of this Extension, Vicinity shall mean within one mile of the Premises which has suffered interruption or interference.

Provided that the Insurer shall not be liable for any loss directly or indirectly caused by, contributed to or arising from any of the following:

- a. any danger or disturbance involving interruption or interference of less duration than 4 hours;
- b. any consequence of **Damage**;
- c. any consequence of labour disputes infectious or contagious diseases or drought;
- d. any period other than the actual period of prevention or hindrance of the use of the **Premises** or access thereto;
- e. any loss sustained after 3 month from the commencement of the prevention or hindrance of the use of the **Premises** or access thereto.
- f. any one loss exceeding £250,000 any one loss and in total for all losses occurring during any one period of insurance
- g. Any danger or disturbance involving interruption or interference caused by or arising from any Coronavirus including but not limited to:
  - i. Severe Acute Respiratory Syndrome Coronavirus (SARS-Cov);
  - ii. Severe Acute Respiratory Syndrome Coronavirus2 (SARS-Cov-2); or
  - iii. Middle East Respiratory Syndrome Coronavirus (MERS-CoV).
- h. Any danger or disturbance involving interruption or interference caused by or arising from any disease caused by any coronavirus including but not limited to:
  - i. Severe Acute Respiratory Syndrome (SARS);
  - ii. COVID-19; or
  - iii. Middle East Respiratory Syndrome (MERS).

Any other disease whether viral in nature or otherwise that has caused an epidemic or a pandemic that poses a threat to human health whether or not declared by any national or international authority or organisation to be an epidemic or pandemic (for the purposes of this exclusion only, a positive declaration by the World Health Organisation that the aforementioned disease has epidemic or pandemic status shall be considered definitive).

The fear of, threat of, or steps taken in an attempt to mitigate the effect of i. or ii. or iii. above.

### 2. Automatic Reinstatement of Sum Insured

Following Damage as insured by this Section the Sums Insured or Limits of Liability shall not be reduced by the amount of any claim provided that

- a. the Insurer does not give written notice to the contrary within 30 days of the notification of any Damage
- b. the Insured pays the appropriate additional premium on the amount of the claim from the date of Damage to the expiry of the Period of Insurance.



### 3. Buildings Awaiting Sale

If at the time of the Damage the Insured shall have contracted to sell their interest in the Premises or shall have accepted an offer in writing to purchase their interest in the Premises subject to contract and the sale is cancelled or delayed solely in consequence of the Damage the Insured may opt for the amount payable by the Insurer to be as follows:

- 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 Rent solely in consequence of the Damage
- 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 maximum indemnity period if earlier the loss in respect of interest being:
  - a. 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
    - ii. the investment interest lost to the Insured on any balance of the sale proceeds (after deduction of any capital borrowed as provided under a. i. above less any amount receivable in respect of Rent
  - b. the additional expenditure being
    - i. the additional expenditure necessarily and reasonably incurred in consequence of the Damage solely to avoid or minimise the loss payable under A. and B. above but not exceeding the amount of loss avoided by such expenditure
    - ii. the additional legal fees and other expenditure incurred solely as a result of the cancellation or delay in consequence of the Damage but not exceeding an amount equivalent to the expenditure incurred immediately prior to the Damage.

Provided that

- i. the Insured shall make all reasonable efforts to complete the sale of the Premises as soon as practicable after the Damage
- ii. the amount payable under this Section shall not exceed the amount of Rent that would have been earned had the Premises been leased or rented
- iii. the Insurer's liability in total in any one Period of Insurance shall in no case exceed 10% of the Rent Sum Insured specified against the relevant item or £100,000 whichever is the lower, unless stated otherwise in the Schedule.

### 6. Capital Additions

Cover includes Rent in respect of alterations additions and improvements to Premises situate within the United Kingdom, provided that

- A. the maximum liability of the Insurer for any one claim shall not exceed
  - 1. 20% of the Total Sum Insured for each item covered, or
  - 2. £2,000,000 in respect of any one Premises occupied solely for office, retail or residential purposes
  - 3. £1,000,000 in respect of any one Premises occupied for any other purposes, or
  - 4. £250,000 in respect of any one Unoccupied Premises

whichever is the less at any one Premises

- B. the Insured shall give details of such alterations and additions to the Insurer within 6 calendar months of the commencement date of the Insured's interest in such Rent and effect specific cover retrospective to such date and pay the appropriate additional premium
- C. this Basis of Settlement Adjustment shall not apply in addition to any cover provided under the Newly Acquired Buildings or Inadvertent Omission to Insure Basis of Settlement Adjustments.

### 7. Contracting Purchaser's Interest

The Insurer agrees that without prejudice to the rights and liabilities of the Insured or the Insurer, if at the time of Damage the Insured shall have contracted to sell their interest in any Premises for which Rent is insured under this Section and the purchase has not been but is subsequently completed, the purchaser

shall be entitled on completion of the purchase to benefit under this Section for loss of Rent in consequence of such Damage until completion, to the extent that such Rent is not otherwise insured by the purchaser or on their behalf.

#### **8. Denial of Access - Damage**

This cover is extended to include loss arising from Damage to property in the immediate vicinity of the Premises which prevents or hinders the use of or access to the Premises whether the Premises or property in the Premises is destroyed or damaged or not but excluding loss or destruction of or damage to property of any supply undertaking from which the Insured obtains electricity gas or water or telecommunications services which prevents or hinders the supply of such services to the Premises.

Provided that the Insurer shall not be liable under this Extension for more than the limit stated below in respect of any one claim

The Insurer's liability is limited to 200% of the Sum Insured by any Rent item, and 100% of the Sum Insured by any other item, unless specified otherwise in the Schedule.

#### **9. Denial of Access - Non Damage**

This insurance extends to include loss arising from access to the Premises or any property or rights of way in the immediate vicinity of the Premises being hindered or prevented as a result of the actions or advice of the Government a Local Authority or other statutory body due to an emergency arising which is likely to endanger life or property

Provided that there shall be no liability under this Extension for any interruption or interference caused by, contributed to or arising from any of the following:

the condition of the Premises or the business carried on within the Premises

the Insured's or lessee's non-compliance with a prior order of the Police or any statutory body

any period other than the actual period of hindrance or prevention of access to the Premises or use of the Premises

any consequence of physical Damage

any consequence of labour disputes infectious or contagious diseases or drought

any cause within the control of the Insured or any lessee

any loss which is a direct result of repairs or maintenance being carried out to property as a result of inherent defect or wear and tear

any loss arising from the obstruction of roads streets and other rights of way by weather or climatic conditions

any Coronavirus including but not limited to:

Severe Acute Respiratory Syndrome Coronavirus (SARS-Cov);

Severe Acute Respiratory Syndrome Coronavirus2 (SARS-Cov-2); or

Middle East Respiratory Syndrome Coronavirus (MERS-CoV).

Any disease caused by any coronavirus including but not limited to:

Severe Acute Respiratory Syndrome (SARS);

COVID-19; or

Middle East Respiratory Syndrome (MERS).

Any other disease whether viral in nature or otherwise that has caused an epidemic or a pandemic that poses a threat to human health whether or not declared by any national or international authority or organisation to be an epidemic or pandemic (for the purposes of this exclusion only, a positive declaration by the World Health Organisation that the aforementioned disease has epidemic or pandemic status shall be considered definitive).

The fear of, threat of, or steps taken in an attempt to mitigate the effect of i. or ii. or iii. above.

For any one claim any prevention or hindrance of access to the Premises which does not last for at least four (4) consecutive hours. The Insurer's liability will only apply for the period beginning with the start of the emergency and ending not later than 3 months after during which the results of the Business are affected because of the interference.

The Insurer's liability is limited to £100,000 for any one claim unless specified otherwise in the Schedule.

#### **10. Disease, Infestation and Defective Sanitation**

This cover extends to include interruption of or interference with the Business commencing on the first day of any such interruption or interference in consequence of the occurrence at the Premises of:

- a. Murder, suicide or food or drink poisoning;
- b. a notifiable, human, infectious or contagious disease; or
- c. vermin, pests or defective sanitation;

which causes:

- 1) restrictions on the use of the Premises on the order or advice of a competent local or national authority; or
- 2) accidental loss, destruction or damage as insured by this Section, to the drains or sanitary apparatus at the Premises which results in closure of the Premises for the Business.

The Insurer shall not be liable for any claim in excess of £500,000.

#### **Definition of Notifiable Human Infectious or Contagious Disease**

It is hereby understood and agreed that for the purposes of the cover afforded by this section, the reference to a notifiable, human, infectious or contagious disease contained in paragraph b shall be deemed to mean solely the following diseases:

Acute encephalitis, Acute poliomyelitis, Anthrax, Cholera, Diphtheria, Dysentery, Food poisoning, Legionella, Leptospirosis, Malaria, Measles, Meningitis, Meningococcal, Pneumococcal, Haemophilus influenza, Meningococcal septicaemia (without meningitis), Mumps, Ophthalmia neonatorum, Paratyphoid fever, Plague caused by the bacterium Yersinia Pestis, Rabies, Relapsing fever, Rubella, Scarlet fever, Smallpox, Tetanus, Tuberculosis, Typhoid fever, Typhus fever, Viral haemorrhagic fever, Viral hepatitis, Hepatitis A, Hepatitis B, Hepatitis C, Whooping cough and Yellow fever.

No other disease shall be added to the above list without the prior written consent of the Insurer.

Notifiable, human, infectious or contagious disease does not and will not mean

- a. Any coronavirus including but not limited to:
  - i. Severe Acute Respiratory Syndrome Coronavirus (SARS-Cov);
  - ii. Severe Acute Respiratory Syndrome Coronavirus2 (SARS-Cov-2); or
  - iii. Middle East Respiratory Syndrome Coronavirus (MERS-CoV).
- b. Any disease caused by any coronavirus including but not limited to:
  - i. Severe Acute Respiratory Syndrome (SARS);
  - ii. COVID-19; or
  - iii. Middle East Respiratory Syndrome (MERS).
- c. Any other disease whether viral in nature or otherwise that has caused an epidemic or a pandemic that poses a threat to human health whether or not declared by any national or international authority or organisation to be an epidemic or pandemic (for the purposes of this exclusion only, a positive declaration by the World Health Organisation that the aforementioned disease has epidemic or pandemic status shall be considered definitive).
- d. The fear of, threat of, or steps taken in an attempt to mitigate the effect of a. or b. or c. above.

#### **11. Documents**

This cover is extended to include loss arising from Damage to documents belonging to the Insured or held by the Insured in trust, whilst at Premises not being the Insured's Premises, or in transit by road, rail or inland waterway. Provided that the Insurer shall not be liable under this Extension for more than the limit stated below in respect of any one claim

The Insurer's liability is limited to 200% of the Sum Insured by any Rent item, 100% of the Sum Insured by any other item unless specified otherwise in the Schedule.

## **12. Exhibition Sites**

This cover is extended to include loss arising from Damage to property at any exhibition site within the United Kingdom

Provided that

- a. such exhibition site is not under canvas or in the open
- b. the Insurer shall not be liable under this Extension for more than the limit stated below in respect of any one claim

The Insurer's liability is limited to £25,000 unless specified otherwise in the Schedule

## **13. Inadvertent Omission to Insure**

The Insured having notified to the Insurer of their intention to insure Rent in respect of all property which they own or for which are responsible within the territorial limits with the Insurer from the inception date of the Policy and it being the Insured's belief that all such property is insured then the Insurer agrees to extend cover under this Section if any property is found to have inadvertently been left uninsured by the Insured then the Insurer will deem such property to be insured by this Section, provided that

- a. the maximum liability of the Insurer any one claim shall not exceed
  - i. £3,000,000 in respect of any one Premises occupied solely for office, retail or residential purposes
  - ii. £1,000,000 in respect of any one Premises occupied for any other purposes, or
  - iii. £250,000 in respect of any one Unoccupied Premises
- b. The Insured carry out at not less than twelve month intervals a check to ensure that effective insurance is in force for all property which they own or for which they are responsible
- c. the Insured shall give details in writing immediately an omission is discovered and within 30 days of the date of discovery shall provide the Insurer with the Rent sum insured to apply and effect specific cover retrospective to such date and pay the appropriate additional premium
- d. the value of the property which has been inadvertently omitted shall for the purpose of the Underinsurance (Average) Basis of Settlement Adjustment be added to the Sum Insured on the item to which the Premises relates
- e. this Basis of Settlement Adjustment shall not apply in addition to any cover provided under the Newly Acquired Buildings or Capital Additions Basis of Settlement Adjustments or in respect of any appreciation in value.

## **14. Loss of Attraction - Leased Premises**

This cover is extended to include loss arising from Damage to property in the immediate vicinity of the Premises which causes a loss of custom to the lessee's business due to a fall in the number of customers visiting the area in consequence of which the Rent receivable by the Insured is reduced

Provided that

- a. Damage shall exclude obstruction of roads, streets and the like by weather or climatic conditions
- b. the Maximum Indemnity Period shall not exceed three (3) months
- c. the Insurer shall not be liable under this Extension for more than the limit stated below in respect of any one claim

The Insurer's liability is limited to 10% of the Sum(s) Insured by the relevant items or £500,000 whichever is the less unless specified otherwise in the Schedule.

## **15. Loss of Attraction - Unleased Premises**

This cover is extended to include loss arising from Damage to property in the immediate vicinity of the Premises which in direct consequence results in the termination and or renegotiation of any agreements for lease and or other loss of tenancy and or delay in completion or letting of the Premises and in consequence of which the Rent receivable by the Insured is reduced

Provided that

- a. Damage shall exclude obstruction of roads, streets and the like by weather or climatic conditions
  - b. the Maximum Indemnity Period shall not exceed three (3) months
  - c. the Insurer shall not be liable under this Extension for more than the limit stated below in respect of any one claim
- The Insurer's liability is limited to 10% of the Sum(s) Insured by the relevant items or £100,000 whichever is the less unless specified otherwise in the Schedule.

#### **16. Loss of investment income on late payment of rent**

If as a result of damage, the Insurer is indemnifying the insured in respect of loss of rent receivable and the payment by the Insurer to the Insured is made later than the date on which the Insured would normally have expected to receive rent from a lessee, the Insurer will pay a further amount representing the investment interest lost to the Insured during the delay period.

#### **17. Managing Agents Premises**

The insurance by each item on rent receivable is extended to include loss as insured resulting solely from damage by a Specified Event 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 Insurer does not exceed 10% of the sum insured by the relevant item(s) or £500,000 any one claim whichever is the less.

#### **18. Newly Acquired Premises**

Cover includes Rent in respect of Premises situate within the United Kingdom

- i. from the date of exchange of contracts for Premises newly acquired by the Insured
- ii. from the date of practical completion for Premises previously insured under a construction policy in the United Kingdom to the extent that the Insured's interest is not protected by any other or more specific insurance

Provided that

- a. the Insured shall give details in writing of such Premises as soon as reasonably practicable and shall effect specific cover retrospective to such date of exchange or date of practical completion and pay the appropriate additional premium
- b. this cover shall operate for a maximum period of 30 days from the date the Insured acquired their interest in the Premises
- c. this insurance shall not apply in respect of any cause or cover otherwise excluded from this Section
- d. the maximum liability of the Insurer for any one claim shall not exceed
  - i. £3,000,000 in respect of any one Premises occupied solely for office, retail or residential purposes
  - ii. £1,000,000 in respect of any one Premises occupied for any other purposes, or
  - iii. £250,000 in respect of any one Unoccupied Premises
- e. this Basis of Settlement Adjustment shall not apply in addition to any cover provided under the Capital Additions or Inadvertent Omission to Insure Basis of Settlement Adjustments.

#### **19. Supply Undertakings**

- a. Damage to property at any land based Premises
- b. Damage to property comprising any land based connecting cable pipe or pylon to the terminal connecting point at the Premises
  - of any supply undertaking service provider or producer in the United Kingdom from which the Insured obtains
- i. electricity (including generating stations or sub-stations)
 

The Insurer's liability is limited to 200% of the Sum Insured by any Rent item, 100% of the Sum Insured by any other item unless specified otherwise in the Schedule.
- ii. gas (including any natural gas producer linked directly therewith)
 

The Insurer's liability is limited to 200% of the Sum Insured by any Rent item, 100% of the Sum Insured by any other item unless specified otherwise in the Schedule.
- iii. water (including works and pumping stations)
 

The Insurer's liability is limited to 200% of the Sum Insured by any Rent item, 100% of the Sum Insured by any other item unless specified otherwise in the Schedule.

iv. telecommunications services

The Insurer's liability is limited to 200% of the Sum Insured by any Rent item, 100% of the Sum Insured by any other item unless specified otherwise in the Schedule.

Provided that

- a. the Insurer shall not be liable for any Business Interruption which does not involve a cessation of supply for at least four (4) consecutive hours in respect of b above.
- b. the Insurer shall not be liable for any Business Interruption caused by or arising from or attributable to any overhead transmission and distribution lines and their supporting structures other than those within one (1) mile of the Premises.

**20. Failure of Supply**

Accidental failure of supply of

- a. electricity at the terminal ends of the service provider's feeders at the Premises

The Insurer's liability is limited to 20% of the Sum(s) Insured by the relevant items or £1,000,000 whichever is the less unless described otherwise in the Schedule.

- b. gas at the service provider's meters at the Premises

The Insurer's liability is limited to 20% of the Sum(s) Insured by the relevant items or £1,000,000 whichever is the less unless described otherwise in the Schedule.

- c. water at the service provider's main stop cock serving the Premises

The Insurer's liability is limited to 20% of the Sum(s) Insured by the relevant items or £1,000,000 whichever is the less unless described otherwise in the Schedule.

- d. telecommunications services at the incoming line terminals or receivers at the Premises

The Insurer's liability is limited to 10% of the Sum(s) Insured by the relevant items or £1,000,000 whichever is the less unless described otherwise in the Schedule.

Provided that

- a. the Insurer shall not be liable for any Business Interruption which does not involve a cessation of supply for at least four (4) consecutive hours and at least twelve (12) consecutive hours in respect of the supply of telecommunications services
- b. the Insurer shall not be liable for any claim resulting from the deliberate act of any supply undertaking or by the exercise by any such undertaking of its power to withhold or restrict supply or services not performed for the sole purpose of safeguarding life or protecting the supply undertaking's system
- c. in respect of the supply of telecommunications services the Maximum Indemnity Period shall not exceed 3 months
- d. the Insurer shall not be liable for any claim resulting from failure caused by
  - i. strikes or any labour or trade dispute
  - ii. drought
  - iii. other atmospheric or weather conditions but this shall not exclude failure due to damage caused by such conditions
- e. the Insurer shall not be liable for any Business Interruption caused by or arising from or attributable to the failure of any overhead transmission and distribution lines and their supporting structures other than those within one (1) mile of the Premises
- f. this Extension excludes Business Interruption as insured under the Supply Undertakings Extension

## Section 2 - Exclusions

### 1. Business Interruption caused by or consisting of:

- a. inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level, its own faulty or defective design or materials
- b. the bursting of any boiler (not being a boiler used for domestic purposes only), economiser or other vessel, machine or apparatus belonging to the Insured or under the control of the Insured in which internal pressure is due to steam only
- c. faulty or defective workmanship by the Insured or any employee of the Insured
- d. operational error or omission by the Insured or any employee of the Insured

but the Insurer will pay for

- i. such Damage not otherwise excluded which itself results from a Specified Event
- ii. subsequent Damage which itself results from a cause not otherwise excluded
- e. acts of fraud or dishonesty by any partner, director or employee of the Insured

but the Insurer will pay for such Damage not otherwise excluded which itself results from a Specified Event.

### 2. Business Interruption caused by or consisting of:

- a. corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects
- b. change in temperature, colour, flavour, texture or finish
- c. theft or attempted theft
  - i. which does not involve entry to or exit from a building or part of a building at the Premises by forcible and violent means or hold-up by violence or threat of violence to the Insured or any partner, director or employee of the Insured or any other person who has a legal right to be on the Premises
  - ii. to property in the open or in open fronted Buildings or in Buildings not on permanent foundations
  - iii. expedited or in any way brought about by the Insured or any partner, director or employee of the Insured

or Damage consisting of

- d. joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping connected to them
- e. mechanical or electrical breakdown or derangement in respect of the particular machine, apparatus or equipment in which such breakdown or derangement originates
- f. caused by the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services

but the Insurer will pay for

- g. such Business Interruption not otherwise excluded, which itself results from a Specified Event or from any other accidental loss, destruction or damage
- h. subsequent Business Interruption which itself results from a cause not otherwise excluded.
- i. but the Insurer will pay for
  - i. such Damage not otherwise excluded, which itself results from a Specified Event or from any other accidental loss, destruction or damage
  - ii. subsequent Damage which itself results from a cause not otherwise excluded.

### 3. Business Interruption caused by pollution or contamination but the Insurer will pay for destruction or damage to the Property Insured not otherwise excluded, caused by

- a. pollution or contamination which itself results from a Specified Event
- b. any Specified Event which itself results from pollution or contamination

### 4. Business Interruption caused by or consisting of:

- a. subsidence, ground heave or landslip
  - i. in respect of walls, gates, fences, roads, car parks, yards, forecourts, patios, pavements, footpaths, and similar hard surfaced areas unless covered by this Section and a building covered by this Section is Damaged by the same cause at the same time
  - ii. resulting from
- a. the settlement or movement of made-up ground



- b. coastal or river erosion
  - c. defective design or workmanship or the use of defective materials
    - iii. which commenced prior to the inception of this cover
    - iv. occurring as a result of demolition, construction, structural alteration or repair of any Property or as a result of ground works or excavation, at the same Premises
  - b. normal settlement or bedding down of new structures
  - c. disappearance, unexplained or inventory shortage, misfiling or misplacing of information.
  
- 5. Loss resulting from destruction or damage to any building or structure caused by its own collapse or cracking, but the Insurer will pay for such destruction or damage resulting from a Specified Event in so far as it is not otherwise excluded.
  
- 6. Business Interruption arising directly or indirectly from
  - a. disappearance unexplained or inventory shortage, misfiling or misplacing of information
  - b. erasure, loss, distortion or corruption of information on computer systems or other records, programs or software

deliberately by rioters, strikers, locked-out workers, persons taking part in labour disturbances or civil commotion or malicious persons

  - c. other erasure, loss, distortion or corruption of information on computer systems or other records, programs or software, but the Insurer will pay for such Business Interruption resulting from a Specified Event in so far as it is not otherwise excluded
  
- 7. Business Interruption in respect of any building which is Unoccupied caused by
  - a. freezing
  - b. escape of water from any tank, apparatus or pipe
  - c. malicious persons not acting on behalf of or in connection with any political organisation, but the Insurer will pay for such Damage caused by fire or explosion.
  
- 8. Business Interruption in respect of fences, gates and moveable property in the open caused by wind, rain, hail, sleet, snow, flood or dust.
  
- 9. Business Interruption
  - a. caused by fire, resulting from its undergoing any heating process or any process involving the application of heat
  - b. resulting from its undergoing any process of production, packing, treatment, testing, commissioning, service or repair, but the Insurer will pay for such Damage caused by fire or explosion.
  
- 10. Business Interruption in respect of Damage to
  - a. glass (other than fixed glass), sanitary ware (other than fixed sanitary ware), china, earthenware, marble or other fragile or brittle objects
  - b. vehicles licensed for road use (including accessories on them), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft
  - c. Property or structures in course of construction or erection and materials or supplies in connection with all such Property or structures
  - d. land, piers, jetties, bridges, culverts, or excavations
  - e. livestock or growing crops

but the Insurer will pay for such property where specifically described in the Schedule or in this Section.
  
- 11. Business Interruption in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of riot, civil commotion, and (except in respect of Damage by fire or explosion) strikers, locked out workers, persons taking part in labour disturbances or malicious persons.
  
- 12. Any Excess specified in the Schedule

## Section 2 – Conditions

### 1. Alteration in Risk

The **Insured** shall notify the Insurer as soon as reasonably practicable if after the commencement of this insurance the risk is materially increased. The Insurer has the right (with effect from the date of the material increase to charge an additional premium and/or amend the **Excess** and/or apply limits and/or apply exclusions of cover, to reflect what the Insurer could have reasonably demanded had the increased risk been declared prior to commencement of this Policy.

Additionally if after the commencement of this insurance:

- a. the **Insured's** interest ceases except by the operation of law; or
- b. the **Business** is wound up or carried on by a liquidator or receiver, or put into administration or otherwise permanently discontinued; or

the insurer shall have the right to serve notice on the **Insured** in accordance with the cancellation clause in this policy.

### 2. Arbitration

If any difference arises as to the amount to be paid under this Section (liability being otherwise admitted by the Insurer), such difference shall be referred to an arbitrator to be appointed by the Insured and the Insurer in accordance with statutory provisions.

Where any difference is referred to arbitration in accordance with this condition, the making of an award shall be a condition precedent to any right of action against the Insurer.

### 3. Contribution

If at the time of any loss, destruction or Damage there is any other insurance covering such incidents, the Insurer will only pay our rateable proportion of such loss.

### 4. Declaration

The Insured may at the Insured's option provide the Insurer with a declaration confirmed by the Insured's auditors or professional accountants of the Rent earned during the financial year most nearly concurrent with an expired Period of Insurance. If any Damage has occurred giving rise to a claim for loss of Rent, such declaration will be increased by the Insurer for the purpose of premium adjustment by the amount by which the Rent was reduced during such financial year solely in consequence of such Damage.

If such declaration of Rent is proportionately increased where the maximum Indemnity Period exceeds 12 months is less than the Sum Insured on Rent for the relative Period of Insurance the Insurer will allow a pro rata return of premium not exceeding 50% of the premium paid

### 5. Outstanding Debit Balance Recording

In the event of Damage in consequence of which the Insured make or may make a claim under this Extension the Insured shall at their own expense deliver to the Insurer 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 Insurer will not pay for any claim unless the terms of this Condition have been complied with, and any payment on account already made shall be repaid to the Insurer.

### 6. Seventy Two Hours Clause

Damage occurring within 72 consecutive hours of and arising from the Specified Events of Storm or Flood is deemed to be one claim. The Insured have the right to select the moment from which the 72 hour period shall be deemed to have commenced within the terms of this Section, provided that such Damage occurred prior to expiry of the Period of Insurance.

### 7. Subrogation

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

The Insurer agrees to waive any such rights to which the Insurer might become entitled by subrogation against:

- a. a tenant or lessee in respect of Damage to the part of the Premises in the demise of that tenant or lessee or to common parts of the Premises unless the Damage arises out of a criminal fraudulent or malicious act
- b. any Company being a parent of or Subsidiary to the Insured or any Company which is a Subsidiary of a Parent Company of which the Insured are themselves a Subsidiary in each case within the meaning of Section 736 and 744 of the Companies Act 1985 or Articles 2 and 4 of the Companies (Northern Ireland) Order 1986
- c. any Managing agent acting on behalf of the Insured but excluding Damage due to Managing agent's gross negligence or wilful misconduct.

**8. Underinsurance (Average)**

If the Sum Insured by any Item on Rent at the commencement of the Period of Insurance is less than the Calculated Rent for that item the amount payable will be proportionately reduced

For the purpose of this Condition Calculated Rent means

For occupied Premises or occupied parts of Premises:

The amount of the actual annual Rent at commencement of the Period of Insurance plus increases as a result of rent reviews known to be due during such Period of Insurance proportionately increased when the Maximum Indemnity Period exceeds 12 Months

For Premises or parts of Premises that are Unoccupied:

The amount of annual Rent at commencement of the Period of Insurance that it is reasonably anticipated would have been paid or payable to the Insured during such Period of Insurance proportionately increased when the Maximum Indemnity Period exceeds 12 Months

For Premises subject to a Rent Free Period concession the actual annual Rent that applies from the date immediately after the Rent Free Period ceases.

## Section 3 - Employers' Liability

### Definitions

#### 1. Bodily Injury

Any physical or mental injury, including death, illness or disease, or nervous shock sustained by any person as a result of actual, or the threat of, bodily injury, death, illness or disease.

#### 2. Business

The Business as described in the Schedule, including:

- a) In connection with the business
  - i. The sale or supply of food and / or drink to any Employee or other person
  - ii. The provision of fire, first aid, security and ambulance services by the Insured, and the maintenance of the Insured's Premises
- b) The provision by the Insured of sports, social and welfare organisations for the benefit of the Insured's Employees
- c) Private work undertaken by any Employee of the Insured for any director, partner, or senior official of the Insured
- d) The repair and/or servicing of the Insured's own motor vehicles
- e) Participation at trade shows or exhibitions by the Insured
- f) Provision of nursery creche or child care facilities where incidental to the Business
- g) Provision of car parking for the benefit of Employees, customers and visitors

#### 3. Cost and Expenses

- a) Claimant's legal costs and expenses which the Insured becomes legally liable to pay in respect of any act or omission relating to any event which may be the subject of indemnity under this policy; and
- b) Defence Costs

#### 4. Defence Costs

Costs, disbursements and expenses reasonably and necessarily incurred (but not including the cost of the Insured's time or any internal or overhead expenses) by the Insured with the Insurer's prior written consent in defending any claim against the Insured, including the cost of legal representation at any court proceedings, coroner's inquest or fatal injury inquiry in respect of any act or omission relating to any event which may be the subject of indemnity under this Policy.

#### 5. Employee

Any natural person who is:

- a. under a contract of service or apprenticeship with the Insured
- b. a labour master or labour only subcontractor or person supplied or employed by them
- c. self-employed and working for the Insured providing labour only
- d. under a work experience youth training or similar scheme
- e. hired to or borrowed by the Insured
- f. volunteering to assist or co-opted to assist the Insured
- g. a home worker or outworker
- h. working under the Community Offenders Act 1978, the Community Service by Offenders (Scotland) Act 1978 or similar legislation
- i. a prospective employee being assessed by the Insured as to their suitability for employment
- j. deemed to be an employee by a Court of Law within the United Kingdom

and is working for the Insured in connection with the Business, and is under the Insured's direct control or supervision

#### 6. Limit of Indemnity

Means the sum shown on the Schedule as being applicable to each Section of this Policy

#### 7. Obstruction / Trespass / Nuisance

Substantial and unreasonable obstruction, nuisance, trespass or interference (as may be applicable) with

- i) the use and enjoyment of land belonging to another;
- ii) any easement or right of air, light, water or way belonging to another;
- iii) pedestrian, road, rail, air or waterborne traffic.

**8. Occurrence**

Shall mean one event or series of events consequent on or attributable to one source or original cause

**9. Offshore**

means from the time of embarkation on to a vessel or aircraft for conveyance to any Offshore Installation including associated accommodation until disembarkation from a conveyance on to land upon return therefrom.

**10. Offshore Installation**

means any rig or platform whether fixed or mobile or vessel or semi-submersible and shall be deemed to include catwalks landing ramps bridges walkways accommodation units or other connected structures which has been or shall be engaged in the process of prospecting or extraction separation storage treatment or distribution of oil or gas.

**11. Pollution or Contamination**

- a) Pollution or contamination of buildings or structures, or of water, land or the atmosphere caused by the discharge dispersal release escape migration or seepage of any solid liquid gaseous or thermal irritant pollutant or contaminant and
- b) any loss, damage or Bodily Injury directly or indirectly caused by such pollution or contamination.

**12. Products Supplied**

Any product or thing (including packaging, containers, labels and instructions), sold, supplied, hired out, constructed, erected, installed, manufactured, repaired, serviced, processed, stored, handled, transported, altered, treated, tested or disposed of by the Insured, or on the Insured's behalf, in the course of the Business in or from the Territorial Limits.

**13. Terrorist Action**

Is deemed to mean any act, 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 or 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.

Terrorist Action shall also include any act which is verified or recognised by the United Kingdom Government as an act of terrorism.

**Cover**

In consideration of the Insured paying the premium specified on the Schedule to the Insurer, the Insurer will indemnify the Insured pursuant to the terms of this Policy against all sums which the Insured shall become legally liable to pay under this Section and associated Defence Costs together subject to the Limit of Indemnity.

**Employers' Liability**

Indemnity against legal liability in respect of Bodily Injury sustained by an Employee during the Period of Insurance within the Territorial Limits and arising out of and in the course of employment by the Insured in connection with the Business.

**Limit of Indemnity**

The Insurer's liability will not exceed the Limit of Indemnity stated in the Schedule including all Costs and Expenses (other than any limit otherwise stated) and any such limit applies to any claim or series of claims arising from any one cause.

**Scope of Cover**

1.1 The Limit of Indemnity specified in the Schedule as being applicable to this Section represents the maximum amount the Insurer will pay under this Policy in respect of loss arising from any one Occurrence during the Period of Indemnity.

1.2 Where a cover clause or extension provides for a monetary sublimit, that sublimit shall erode the Limit of Indemnity applicable to that Section of the Policy, unless expressly stated otherwise.

### Section 3 - Extensions

Where an indemnity is provided to the Insured under this Section the following additional covers apply in addition to the Indemnity provided by this Sections of this Policy provided that the Insurer's Limit of Indemnity shall not exceed that stated in the Schedule unless otherwise stated.

#### 1. Acquisitions

We will indemnify any company or other business entity either acquired or created by You during the Period of Insurance from the date of such acquisition or creation

Provided always that:

- a) The business of such company or entity is not materially different from the Business as shown in the Schedule
- b) You give full disclosure to Us in relation to the company or entity to be insured in accordance with General Condition 'Fair Presentation' within 30 days of its acquisition or creation
- c) The aggregate annual turnover or revenue of all such companies or entities acquired or created during any one Period of Insurance shall not exceed 10% of Your annual turnover as declared to Us at the beginning of such Period of Insurance
- d) If after the date of acquisition or creation, separate insurance covering the same liability remains in force subject to a limit of indemnity lower than that which applies to this Policy, Our liability in respect of such company or entity shall not exceed the difference between the relevant limit of indemnity under such separate insurance and the relevant Limit of Indemnity applicable to this Policy

We shall have the right to charge an additional premium and to alter the terms conditions and exclusions of this Policy in respect of such company or entity from the date of its acquisition or creation

In respect of any such company or entity which does not meet provisions a) to d)

- i. We will not provide an indemnity until full details of such company or entity have been submitted to and accepted by Us, and You have agreed to pay any additional premium and accept any change in terms conditions and exclusions required by Us
- ii. We reserve the right to decline cover for such company or entity.

Nothing in this Extension shall affect Our rights under General Condition 'Fair Presentation' where You fail to give a fair presentation of the risk in relation to any business, company or entity to which cover is extended during the Period of Insurance.

#### 2. Corporate Manslaughter and Corporate Homicide Act 2007

The Insurer will indemnify the Insured against Defence Costs incurred with the Insurer's prior written consent for the purposes of defending any criminal prosecution, including an appeal against a conviction arising from such a prosecution, and / or investigations connected with a charge of corporate manslaughter or corporate homicide under the Corporate Manslaughter and Corporate Homicide Act 2007, or any equivalent legislation in the Isle of Man or the Channel Islands, committed or alleged to have been committed during the Period of Insurance and in the course of the Insured's Business.

Provided always that:

- a) The Insurer's total liability under this Extension will not exceed in the aggregate £5,000,000 in any one Period of Insurance. This limit will form part of, and not be in addition to, the Limit of Indemnity specified in the Schedule
- b) This Extension will only apply to proceedings brought within the Territorial Limits
- c) The Insurer must consent in writing prior to the appointment of any solicitor, counsel or other legal representative who are to act for and on the Insured's behalf
- d) The Insured will give the Insurer immediate notice of any summons or other process served upon the Insured or upon any of the Insured's offices or employees or agents which may give rise to proceedings covered under this Extension
- e) In relation to any appeal, counsel has advised there are strong prospects of such appeal succeeding
- f) The Insurer will be under no liability under this Extension:
  - i. Where the Insured or any of the Insured's officers, Employees or agents has committed any deliberate or intentional criminal act, whether predetermined or not, giving rise to charge of corporate manslaughter or corporate homicide as defined under the Corporate Manslaughter and Corporate Homicide Act 2007



- ii. In respect of fines or penalties of any kind or the costs of remedial adverse or publicity orders
- iii. In respect of the defence of any criminal proceedings brought, or in an appeal against conviction arising from such proceedings, in respect of a breach of:
  - 1) The Health and Safety at Work, etc. Act 1974 or the Health and Safety at Work Act (Northern Ireland) Order or any regulations made thereunder
  - 2) The Food Safety Act 1990 or any regulations made thereunder
  - 3) The Consumer Protection Act 1987 or any regulations made thereunder
- iv. Where indemnity for Defence Costs outlined above is available from any other source or is provided by any other insurance, or where but for the existence of this section, indemnity would have been provided by such other source or insurance
- g) Where the Insurer has already indemnified the Insured in respect of Defence Costs incurred in the defence of any criminal proceedings arising out of the same cause or occurrence, which gave rise to the charge of and / or investigation connected with corporate manslaughter or corporate homicide under another Section applicable to this Policy. In that event, the amount paid under that Extension will be taken into account when calculating the Insurer's liability under this Extension.

### 3. Court Attendance Costs

In addition to the Limit of Indemnity specified in the Policy Schedule, the Insurer will pay the Insured a daily rate of £500 if any member or Employee is required to attend court as a witness at the Insurer's request such rate to apply irrespective of the number of persons so attending.

### 4. Criminal Defence Costs

The Insurer will indemnify the Insured, and at the Insured's request, any Employee director or partner, against Defence Costs and expenses incurred with the Insurer's prior written consent in the defence of any criminal proceedings brought against the Insured or any person for whom an indemnity is requested, during the Period of Insurance for a breach of:

- a) The Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978, or
- b) Part II of the Consumer Protection Act 1987
- c) Part II of Food Safety Act 1990

Such indemnity to include legal costs and expenses incurred in an appeal against conviction arising from any such proceedings.

Provided that the Insurer shall have no liability in respect of:

- i. Any fines or penalties imposed by any court
- ii. Any proceedings consequent upon any deliberate act or omission
- iii. any circumstances for which indemnity is provided by any other insurance
- iv. proceedings arising from any excluded risk under the Policy

### 5. Indemnity to Other Persons

In the event of any claim in respect of which the Insured would be entitled to receive indemnity under this Policy being brought or made against:

- a) Any member
- b) Any Employee
- c) Any Principal for whom the Insured is, or has been, carrying out work but only to the extent required by the contract for the work and excluding any principal who is located within USA or Canada

The Insurer will indemnify such person, if the Insured so requests, against such claim and or any costs, charges and expenses in respect thereof but only in respect of liability incurred by the Insured or such other person.

Provided always that:

- i. The Insured would have been entitled to indemnity had the claim been made against the Insured, but this proviso will not apply to liability attaching to any Employee which arises out of the performance by that Employee of any statutory function in respect of which the Insured has agreed to provide the Employee with an indemnity; and
- ii. Such person is not entitled to indemnity under any other insurance; and

- iii. Such person will, as though they were an Insured, observe, fulfil and be subject to the terms and conditions of this Policy; and
- iv. Such person was at the time of the incident giving rise to the claim acting within the scope of their authority; and
- v. The Insurer will not be liable unless the Insurer has sole conduct and control of all such claims.

#### **6. Joint Liabilities**

If the Insured comprises more than one party then the Insurer will indemnify each individual Insured as specified on the Schedule as though separate policies had been issued in their individual names provided that the total amount payable by the Insurer in the event that claims are made against individual Insureds shall not exceed the amount that would have been payable if the Insured comprised only one party, and in any event does not exceed the Limit of Indemnity applying to the operative Section or part of this Policy.

### Section 3- Exclusions

The Insurer shall have no liability under this Policy to indemnify the Insured in respect of the following General Exclusions, which shall apply to all Sections of this Policy unless stated to the contrary.

#### 1. Asbestos

The Insurer shall not indemnify the Insured under this Policy, other than for the minimum sum under this Employers' Liability Section deemed to be in accordance with such provisions as any law relating to the compulsory insurance of liability to Employees in the United Kingdom may require, in respect of

- 1) Bodily Injury or physical loss of or physical damage to property arising in whole or in part either directly or indirectly out of asbestos whether or not the asbestos is
  - 1.1) airborne as a fiber or carried or transmitted on clothing or by any other means
  - 1.2) contained in or forms part of any building material or insulative material

#### 2. Jurisdiction

Any claim or legal proceeding brought outside Great Britain, Northern Ireland, the Isle of Man or the Channel Islands

#### 3. Liquidated or Punitive Damages

Any amount in respect of:

- a) Liquidated damages, fines or penalties
- b) Exemplary or punitive damages awarded by any court of law

#### 4. Motor

Liability arising from the ownership or possession or use by the Insured, or on the Insured's behalf, of any mechanically propelled motor vehicle, plant or attachment of the motor vehicle:

- a) Which is licensed for road use; or
- b) For which compulsory motor insurance or security is required; or
- c) Which is more specifically insured.

Provided always that this exclusion will not apply in respect of:

- i. Liability not more specifically insured under any other policy arising during the act of loading or unloading any mechanically propelled motor vehicle, plant or attachment of the motor vehicle or the bringing to or the taking away of a load from such vehicle, plant or attachment
- ii. The use of any mechanically propelled motor vehicle, plant or attachment of the motor vehicle solely as a tool of trade unless more specifically insured or unless compulsory motor insurance or security is required
- iii. The authorised movement on the Insured's Premises or contract site of any mechanically propelled motor vehicle, plant or attachment of the motor vehicle unless more specifically insured or unless compulsory motor insurance or security is required

#### 5. Work Offshore

Liability for Bodily Injury caused:

- a) On any Offshore Installation or support or accommodation vessel for any Offshore Installation
- b) In transit to, from or between any Offshore Installation or support or accommodation vessel for any Offshore Installation

#### 6. Work Overseas

Liability in respect of any Bodily Injury caused outside the Territorial Limits, but this exclusion will not apply to any Employee temporarily employed in work elsewhere provided always that the contract of service or apprenticeship for such work was entered

## Section 3 – Conditions

### 1. Contracts (Rights of Third Parties) Act 1999

For the purposes of the Contracts (Rights of Third Parties) Act 1999 the Insured and the Insurer do not intend any term of this Policy to be enforceable by any third party including but not limited to subcontractors.

### 2. Discharge of Liability

The Insurer may at any time pay any Limit of Indemnity after deduction of any sum or sums already paid or any lower amount for which any claim or claims can be settled and then relinquish their conduct and control and be under no further liability in respect of the claim except for the payment of Costs and Expenses incurred with the Insurer's written consent prior to the date of such payment.

### 3. Law Applicable to Contract

Unless the Insurer agrees otherwise,

- a) The language of the Policy and all communications relating to it will be English; and
- b) all aspects of the Policy will be subject to the law of England and Wales and the parties agree to submit to that jurisdiction in the event of dispute as to the interpretation or application of this Policy.

### 4. Other Insurances

If at the time of any incident giving rise to the risk of a claim under this Policy, or where any such claim is made, there is in force any other insurance covering the same liability, loss, damage or injury, whether effected by the Insured or not, then the Insurer will not be liable to contribute to such claim.

### 5. Subrogation

In the event of any payment under this policy, the Insurer shall be subrogated to the extent of the payment to all Insured's rights of recovery. The Insured shall execute all papers required and shall do everything necessary to secure and preserve the rights, including the execution of the documents necessary to enable the Insurer effectively to bring suit in the name of the Insured

## Section 4 - Property Owners Liability

### Definitions

#### Bodily Injury

Any physical or mental injury, including death, illness or disease, mental, anguish or nervous shock sustained by any person as a result of actual, or the threat of, bodily injury, death, illness or disease.

#### Business

The Business as described in the Schedule, including:

- a) In connection with the Business
  - i. The sale or supply of food and / or drink to any Employee or other person
  - ii. The provision of fire, first aid, security and ambulance services by the Insured, and the maintenance of the Insured's Premises
- b) The provision by the Insured of sports, social and welfare organisations for the benefit of the Insured's Employees
- c) Private work undertaken by any Employee of the Insured for any director, partner, or senior official of the Insured
- d) The repair and/or servicing of the Insured's own motor vehicles
- e) Participation at trade shows or exhibitions by the Insured
- f) Provision of nursery creche or child care facilities where incidental to the Business
- g) Provision of car parking for the benefit of Employees, customers and visitors

#### Costs and Expenses

- a) Claimant's legal costs and expenses which the Insured becomes legally liable to pay in respect of any act or omission relating to any event which may be the subject of indemnity under this policy; and
- b) Defence Costs

#### Defence Costs

Costs, disbursements and expenses reasonably and necessarily incurred (but not including the cost of the Insured's time or any internal or overhead expenses) by the Insured with the Insurer's prior written consent in defending any claim against the Insured, including the cost of legal representation at any court proceedings, coroner's inquest or fatal injury inquiry in respect of any act or omission relating to any event which may be the subject of indemnity under this Policy.

#### Employee

Any natural person who is:

- a. under a contract of service or apprenticeship with the Insured
- b. a labour master or labour only subcontractor or person supplied or employed by them
- c. self-employed and working for the Insured providing labour only
- d. under a work experience youth training or similar scheme
- e. hired to or borrowed by the Insured
- f. volunteering to assist or co-opted to assist the Insured
- g. a home worker or outworker
- h. working under the Community Offenders Act 1978, the Community Service by Offenders (Scotland) Act 1978 or similar legislation
- i. a prospective employee being assessed by the Insured as to their suitability for employment
- j. deemed to be an employee by a Court of Law within the United Kingdom

and is working for the Insured in connection with the Business, and is under the Insured's direct control or supervision.

#### Limit of Indemnity

Means the sum shown on the Schedule as being applicable to each Section of this Policy

**Obstruction / Trespass / Nuisance**

Substantial and unreasonable obstruction, nuisance, trespass or interference (as may be applicable) with

- (i) the use and enjoyment of land belonging to another;
- (ii) any easement or right of air, light, water or way belonging to another;
- (ii) pedestrian, road, rail, air or waterborne traffic.

**Occurrence**

Shall mean one event or series of events consequent on or attributable to one source or original cause

**Offshore**

means from the time of embarkation on/ to a vessel or aircraft for conveyance to any Offshore Installation including associated accommodation until disembarkation from a conveyance on to land upon return therefrom.

**Offshore Installation**

means any rig or platform whether fixed or mobile or vessel or semi-submersible and shall be deemed to include catwalks landing ramps bridges walkways accommodation units or other connected structures which has been or shall be engaged in the process of prospecting or extraction separation storage treatment or distribution of oil or gas.

**Pollution or Contamination**

- a) Pollution or contamination of buildings or structures, or of water, land or the atmosphere caused by the discharge dispersal release escape migration or seepage of any solid liquid gaseous or thermal irritant pollutant or contaminant and
- b) any loss, damage or Bodily Injury directly or indirectly caused by such pollution or contamination.

**Products Supplied**

Any product or thing (including packaging, containers, labels and instructions), sold, supplied, hired out, constructed, erected, installed, manufactured, repaired, serviced, processed, stored, handled, transported, altered, treated, tested or disposed of by the Insured, or on the Insured's behalf, in the course of the Business in or from the Territorial Limits.

**Terrorist Action**

Is deemed to mean any act, 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 or 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.

Terrorist Action shall also include any act

which is verified or recognised by the United Kingdom Government as an act of terrorism.

**Cover**

The Insurer will indemnify the Insured against legal liability to pay compensation and claimants' costs and expenses in respect of Injury sustained by any Employee arising out of and in the course of the employment or engagement of such person by the Insured in connection with the Business and caused within the Territorial Limits during the Period of Insurance.

**Property Owners Liability**

Indemnity against legal liability in respect of accidental:

- a) physical damage to material property
- b) Bodily Injury to any person other than an Employee
- c) Obstruction / Trespass / Nuisance
- d) wrongful arrest false imprisonment or malicious prosecution
- e) invasion of privacy

occurring during the Period of Insurance within the Territorial Limits and arising in connection with the Business.

**Limit of Indemnity**

The Insurer's liability will not exceed the Limit of Indemnity stated in the Schedule including all Costs and Expenses (other than any limit otherwise stated) and any such limit applies to any claim or series of claims arising from any one cause.

**Scope of Cover**

1.1 The Limit of Indemnity specified in the Schedule as being applicable to this Section represents the maximum amount the Insurer will pay under this Policy in respect of loss arising from any one Occurrence during the Period of Indemnity.

1.2 Where a cover clause or extension provides for a monetary sublimit, that sublimit shall erode the Limit of Indemnity applicable to that Section of the Policy, unless expressly stated otherwise.



## Section 4 - Extensions

Where an indemnity is provided to the Insured under this the following additional covers apply in addition to the Indemnity provided by this Section of this Policy provided that the Insurer's Limit of Indemnity shall not exceed that stated in the Schedule unless otherwise stated.

### 1. Acquisitions

This Section extends to include any company or other business entity either acquired or created by the Insured during the Period of Insurance from the date of such acquisition or creation

Provided always that:

- a) The business of such company or entity is not materially different from the Business as shown in the Schedule
- b) The Insured gives full disclosure to the Insurer in relation to the company or entity to be insured in accordance with General Condition 'Fair Presentation' within 30 days of its acquisition or creation
- c) The aggregate annual turnover or revenue of all such companies or entities acquired or created during any one Period of Insurance shall not exceed 10% of annual turnover as declared to the Insurer at the beginning of such Period of Insurance
- d) If after the date of acquisition or creation, separate insurance covering the same liability remains in force subject to a limit of indemnity lower than that which applies to this Policy, the Insurers liability in respect of such company or entity shall not exceed the difference between the relevant limit of indemnity under such separate insurance and the relevant Limit of Indemnity applicable to this Policy

The Insurer shall have the right to charge an additional premium and to alter the terms conditions and exclusions of this Policy in respect of such company or entity from the date of its acquisition or creation

In respect of any such company or entity which does not meet provisions a) to d)

- i. We will not provide an indemnity until full details of such company or entity have been submitted to and accepted by Us, and You have agreed to pay any additional premium and accept any change in terms conditions and exclusions required by Us
- ii. We reserve the right to decline cover for such company or entity.

Nothing in this Extension shall affect the Insurers rights under General Condition 'Fair Presentation' where the Insured fails to give a fair presentation of the risk in relation to any business, company or entity to which cover is extended during the Period of Insurance.

### 2. Asbestos

In respect of Bodily Injury loss or damage occurring during any one Period of Insurance directly or indirectly caused by or arising from in consequence of or in any way involving

- i. exposure to or the inhalation of Asbestos
- ii. fear of the consequences of exposure to or inhalation of Asbestos
- iii. the costs of management (including those of any persons under any statutory duty to manage) removal repair alteration recall replacement or reinstatement of any property or part thereof arising out of the presence of Asbestos

The liability of the Insurer shall not exceed the Limit of Indemnity shown in the Schedule or £5,000,000 (whichever is the lesser) in any one Period of Insurance and such Limit of Indemnity shall be inclusive of the amount of all Costs and Expenses.

For the purposes of this Limit of Indemnity all such Bodily Injury loss or damage which arises from one incident shall be deemed to have occurred at the time such incident takes place.

### 3. Corporate Manslaughter and Corporate Homicide Act 2007

The Insurer shall indemnify the Insured against Defence Costs incurred with the Insurer's prior written consent for the purposes of defending any criminal prosecution, including an appeal against a conviction arising from such a prosecution, and / or investigations connected with a charge of corporate manslaughter or corporate homicide under the Corporate Manslaughter and Corporate Homicide Act 2007, or any equivalent legislation in the Isle of Man or the Channel Islands, committed or alleged to have been committed during the Period of Insurance and in the course the Business.

Provided always that:

- a) The Insurer's total liability under this Extension under this Section will not exceed in the aggregate £5,000,000 in any one Period of Insurance. This limit will form part of, and not be in addition to, the Limit of Indemnity specified in the Schedule
- b) This Extension will only apply to proceedings brought within the Territorial Limits
- c) The Insurer must consent in writing prior to the appointment of any solicitor, counsel or other legal representative who are to act for and on behalf of the Insured
- d) The Insured must provide immediate notice of any summons or other process served upon the Insured or upon any of the Insured's offices or employees or agents which may give rise to proceedings covered under this Extension
- e) In relation to any appeal, counsel has advised there are strong prospects of such appeal succeeding
- f) The Insurer will be under no liability under this Extension:
  - i. Where the Insured or any of the Insured's officers, Employees or agents has committed any deliberate or intentional criminal act, whether predetermined or not, giving rise to charge of corporate manslaughter or corporate homicide as defined under the Corporate Manslaughter and Corporate Homicide Act 2007
  - ii. In respect of fines or penalties of any kind or the costs of remedial adverse or publicity orders
  - iii. In respect of the defence of any criminal proceedings brought, or in an appeal against conviction arising from such proceedings, in respect of a breach of:
    - iv. The Health and Safety at Work, etc. Act 1974 or the Health and Safety at Work Act (Northern Ireland) Order or any regulations made thereunder
    - v. The Food Safety Act 1990 or any regulations made thereunder
    - vi. The Consumer Protection Act 1987 or any regulations made thereunder
  - vii. Where indemnity for Defence Costs outlined above is available from any other source or is provided by any other insurance, or where but for the existence of this section, indemnity would have been provided by such other source or insurance
- g) Where the Insurer has already indemnified the Insured in respect of Defence Costs incurred in the defence of any criminal proceedings arising out of the same cause or occurrence, which gave rise to the charge of and / or investigation connected with corporate manslaughter or corporate homicide under another Section applicable to this Policy. In that event, the amount paid under that Extension will be taken into account when calculating the Insurer's liability under this Extension.

#### **4. Court Attendance Costs**

In addition to the Limit of Indemnity specified in the Policy Schedule, the Insurer will pay the Insured a daily rate of £500 if any member or Employee is required to attend court as a witness at the Insurer's request such rate to apply irrespective of the number of persons so attending.

#### **5. Criminal Defence Costs**

The Insurer will indemnify the Insured, and at the Insured's request, any Employee director or partner, against Defence Costs and expenses incurred with the Insurer's prior written consent in the defence of any criminal proceedings brought against the Insured or any person for whom an indemnity is requested, during the Period of Insurance for a breach of:

- a) The Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978, or
- b) Part II of the Consumer Protection Act 1987
- c) Part II of Food Safety Act 1990

Such indemnity to include legal costs and expenses incurred in an appeal against conviction arising from any such proceedings.

Provided that the Insurer shall have no liability in respect of:

- i. Any fines or penalties imposed by any court
- ii. Any proceedings consequent upon any deliberate act or omission
- iii. any circumstances for which indemnity is provided by any other insurance
- iv. proceedings arising from any excluded risk under the Policy

## 6. Data Protection Act 2018

The Insurer will indemnify the Insured under this Extension against legal liability for damage or distress occurring as a result of an offence under Sections 168 or 169 of the Data Protection Act 2018 that is committed by and claimed against You and notified to Us during the Period of Insurance within the Territorial Limits and arising in connection with the Business and associated Defence Costs

Provided always that the Insurer will not be liable:

- a) For the costs and expenses of rectifying or erasing Data or Personal Data
- b) Where legal liability arises from fraud or dishonesty
- c) Where legal liability arises from any agreement to store process or supply Data or Personal Data for a fee or by reciprocal arrangement

'Data' and 'Personal Data' have the meanings defined in the Data Protection Act 2018

## 7. Defective Premises Act 1972

The Insurer will indemnify the Insured under this Section in respect of legal liability arising under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in connection with any Premises previously owned or occupied by the Insured and pertaining to the Business and which have been disposed of by the Insured and associated Defence Costs.

Provided always that the Insurer will not be liable:

- a) For the cost of remedying any defect or alleged defect in the said Premises
- b) In respect of liability more specifically insured under any other insurance.

## 8. Environmental Clean Up Costs

The Insurer will indemnify the Insured under this Section in respect of all sums, including statutory debts, which the Insured may become legally liable to pay in respect of Clean Up Costs arising from environmental damage caused by Pollution or Contamination, where such liability arises under an environmental directive, statute or statutory instrument within the Territorial Limits.

Provided always that:

- a) Liability arises from Pollution or Contamination caused by a sudden, identifiable, unintended and unexpected incident that takes place at a specific time and place in its entirety during the Period of Insurance.

All Pollution or Contamination which arises out of one incident will be deemed to have occurred at the time such incident takes place

- b) The Insurer's liability under this section will not exceed £1,000,000 for any one occurrence and in the aggregate in any one Period of Insurance, and will be the maximum that the Insurer will pay inclusive of all Costs and Expenses. This limit will form part of and not be in addition to the Limit of Indemnity stated in the Policy schedule
- c) Immediate loss prevention or salvage action is taken and the appropriate authorities are notified
- d) The Insurer will be under no liability:
  - i. In respect of Clean Up Costs for damage to the Insured's land, Premises, watercourse or body of water, whether owned, leased, hired, tenanted or otherwise in the Insured's care custody or control
  - ii. For damage connected with pre-existing contaminated property
  - iii. For damage caused by a succession of several events where such individual event would not warrant immediate action
  - iv. In respect of removal of any risk of an adverse effect on human health on the Insured's land, Premises, watercourse or body of water, whether owned, leased, hired, tenanted or otherwise in the Insured's care, custody or control
  - v. In respect of costs in achieving an improvement or alteration in the condition of the land, atmosphere or any watercourse or body of water beyond that required under any relevant and applicable law or statutory enactment at the time remediation commences
  - vi. In respect of costs for prevention of imminent threat of environment damage where such costs are incurred without there being Pollution or Contamination caused by a sudden, identifiable, unintended and unexpected incident

- vii. For damage resulting from an alteration to subterranean stores of groundwater or to flow patterns
- viii. In respect of the costs for the reinstatement or reintroduction of flora or fauna
- ix. For damage caused deliberately or intentionally by the Insured, or where the Insured has knowingly deviated from environmental protections, or where the Insured has knowingly omitted to inspect, maintain or perform necessary repairs to plant or machinery for which the Insured are responsible
- x. In respect of fines or penalties of any kind
- xi. For damage caused by the ownership, or operation on behalf of the Insured, of any mining operations or storage, treatment or disposal of waste or waste products other than caused by composting, purification or pre-treatment of water.
- xii. For damage which is covered by a more specific insurance Policy
- xiii. For damage caused by persons aware of the defectiveness or harmfulness of products they have placed on the market or works or other services they have performed
- xiv. For damage caused by disease in animals belonging to or kept or sold by the Insured.
- xv. For the first £5,000 of each and every loss

## 9. Financial Loss

This Section extends to indemnify the Insured against all sums which the Insured shall be legally liable to pay as compensation in respect of any claim first made against the Insured during the Period Of Insurance for accidental financial loss

Provided that

1. the liability of the Insured under this extension for compensation and all costs and expenses arising out of all claims during any one Period Of Insurance shall not exceed £50,000 inclusive of Costs and Expenses. This limit will form part of and not be in addition to the Limit of Indemnity stated in the Schedule.
2. the Insurer shall not indemnify the Insured under this extension against
  - a) financial loss resulting from Bodily Injury to any person damage to property or obstruction trespass or nuisance
  - b) liability for liquidated damages fines penalties or payments due under any statutory regulation or byelaw
  - c) liability caused by or arising from any act of fraud or dishonesty by the Insured or any Employee
  - d) financial loss sustained by any Employee arising out of or in the course of his employment by the Insured
  - e) liability assumed under contract
  - f) libel slander deceit injurious falsehood or passing off or infringement of trade name registered design copyright or patent right
  - g) breach or alleged breach of antitrust laws
  - h) failure by the Insured or any Employee to
    - i. meet delivery deadlines
    - ii. complete any work on time
    - iii. return any property in the custody or control of the Insured or any Employee
  - i) any circumstances known to the Insured at inception of this extension which may give rise to a claim for financial loss
  - j) the first 10% of each and every claim subject to a minimum contribution of £1,000
3. this extension shall not apply to liability arising from any act or omission by or on behalf of the Insured which takes place outside Great Britain, Northern Ireland, Channel Islands or Isle of Man

the indemnity granted by this extension shall otherwise be subject to those terms conditions and exceptions of this Policy

## 10. Indemnity to Other Persons

In the event of any claim in respect of which the Insured would be entitled to receive indemnity under this Policy being brought or made against:

- a) Any member
- b) Any Employee
- c) Any Principal for whom the Insured are, or have been, carrying out work but only to the extent required by the contract for the work and excluding any principal who is located within USA or Canada

The Insurer will indemnify such person, if the Insured so requests, against such claim and or any costs, charges and expenses in respect thereof but only in respect of liability incurred by the Insured or such other person.

Provided always that:

- i. The Insured would have been entitled to indemnity had the claim been made against them, but this proviso will not apply to liability attaching to any Employee which arises out of the performance by that Employee of any statutory function in respect of which the Insured have agreed to provide the Employee with an indemnity; and
- ii. Such person is not entitled to indemnity under any other insurance; and
- iii. Such person will, as though they were an Insured, observe, fulfil and be subject to the terms and conditions of this Policy; and
- iv. Such person was at the time of the incident giving rise to the claim acting within the scope of their authority; and
- v. The Insurer will not be liable unless the Insurer has sole conduct and control of all such claims.

#### **11. Joint Liabilities**

If the Insured comprises more than one party then the Insurer will indemnify each individual Insured as specified on the Schedule as though separate policies had been issued in their individual names provided that the total amount payable by the Insurer in the event that claims are made against individual Insureds shall not exceed the amount that would have been payable if the Insured comprised only one party, and in any event does not exceed the Limit of Indemnity applying to the operative Section or part of this Policy.

#### **12. Libel and Slander**

This Section extends to indemnify the Insured in respect of legal liability to pay damages claimants' costs and expenses and costs and expenses incurred by the Insurer or with the written consent of the Insurer in respect of claims made against the Insured during the Period of Insurance arising from any act of libel or slander committed or uttered in good faith by the Insured during the Period of Insurance in the course of the Business

Provided that

- a. the indemnity granted by this Extension shall apply solely to the Insured's in-house and trade publications and advertising material prepared by the Insured
- b. the first 10% or £1,000 (whichever is the greater) of all compensation costs and expenses payable in respect of each occurrence shall be retained by the Insured as their own liability which will be payable before the Insurer shall be liable to make any payment
- c. this Extension does not cover any claim arising from proceedings brought against the Insured in a court of law outside the United Kingdom or any member country of the European Union
- d. the liability of the Insurer under this Extension in respect of any one claim and in total for all claims made during any one Period of Insurance shall not exceed £250,000 inclusive of all Costs and Expenses.

#### **Special Claims Conditions applicable to Libel and Slander Cover**

1. Upon the Insured becoming aware of any publication or material published or statement likely to give rise to liability under this Extension and again upon receipt by the Insured of notice of any claim whether well or ill-founded the Insured shall immediately and in any case within 7 days give notice of the same to the Insurer and supply a copy of such publication or material published together with any communication received from any claimant
2. The Insured shall not disclose the fact that they are insured.

#### **13. Legionella**

This Section shall extend to indemnify the Insured in respect of all sums which the Insured may become legally liable to pay as damages in respect of Pollution or Contamination caused by or arising from any discharge, release or escape of legionella or other airborne pathogens from water tanks, water systems, air conditioning plants, cooling towers and the like.

Provided always that:

- a) All Pollution or Contamination which arises out of or as a consequence of any discharge, release or escape of legionella or other airborne pathogens from water tanks, water systems, air-conditioning

plants, cooling towers and the like, will be deemed to have occurred on the date that the Insured first becomes aware of circumstances which have given or may give rise to such Pollution or Contamination

- b) Regular assessments are carried out of all water systems to assess the risk of legionella and any risks identified in the risk assessment are suitably managed
- c) The Insurer will be under no liability under this section:
  - i) If, before the current Period of Insurance, the Insured had become aware of circumstances which have or may give rise to such Pollution or Contamination
  - ii) Unless the Insured, at the time Pollution or Contamination which arises out of or as a consequence of discharge, release or escape of legionella or other airborne pathogens is deemed to have occurred, are in compliance with the Health and Safety Commission's Approved Code of Practice entitled - Legionnaires Disease - The control of legionella bacteria in water systems
- d) The Insured will give notice in writing to the Insurer immediately on becoming aware of circumstances which have given or may give rise to a claim under this section
- e) The Insurer's total liability under this section will not exceed £5,000,000 in the aggregate in any one Period of Insurance inclusive of Costs and Expenses. This limit will form part of and not be in addition to the limit of indemnity stated in the Policy schedule.

Section Exclusion Pollution or Contamination will not apply to this extension.

The Insured will, at inception of this Section 4 and annually thereafter, provide the Insurer with details of the number of Premises owned or operated by the Insured where cooling towers and or evaporative condensers are present.

#### **14. Overseas Personal Liability**

At the Insured's request, the Insurer will provide indemnity under the terms of this Section in respect of the personal liability of any:

- a) Member or Employee, or any member of the family of such member or Employee, in connection with the Business
- b) Member of sports and social clubs operating in the Business while engaged in club activities.
- c) at the Insured's request, any director partner or Employee of the Insured against legal liability for damages in respect of Bodily Injury or damage to material property arising from personal activities whilst temporarily outside the Territorial Limits in connection with the Business.

Provided always that:

- i) Any person indemnified will, as though they were the Insured, fulfil and be subject to the terms and conditions of this Policy; and
- ii) The Insurer shall have no liability under this Extension:
  - 1) Unless the Insurer has the sole conduct and control of all claims;
  - 2) Where liability attaches because of a contract or agreement and which would not otherwise have attached;
  - 3) Where liability arises from any employment, business, profession or trade;
  - 4) Where liability arises from the ownership, occupation, possession or use of any land, building, motor vehicle, caravan, watercraft or aircraft or animals excluding horses or domestic dogs or cats; or
  - 5) Where liability is more specifically insured under any other insurance.

#### **15. Terrorism**

Cover in respect of this Section is hereby extended in respect of any loss arising in connection with a Terrorist Action or any action taken to prevent or address actual or expected Terrorist Action.

The limit of indemnity in respect of any claim or series of claims arising directly or indirectly from the same or related acts of terrorism is GBP5,000,000 any one Occurrence.

The limit will form part of, and not be in addition to, the Limit of Indemnity specified in the Schedule.

**16. Unsatisfied Court Judgments**

If any Employee or their legal personal representative obtains a judgment from a court within the Territorial Limits for damages for Bodily Injury against any company or individual operating from Premises within the Territorial Limits, and that judgment remains unpaid for more than 6 months after the date of the judgment, the Insurer will pay at the Insured's request the amount of any unpaid damages and any awarded costs to the Employee or their legal personal representative.

Provided always that:

- a) The bodily Injury:
  - i. Is caused during the Period of Insurance
  - ii. Arises out of and in the course of employment in the Business
- b) There is no appeal outstanding.

If a payment is made under this Extension the Employee or their legal personal representative will assign the judgment to Us.

**17. 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 by the Insurer

Provided that the Insurer shall not in any event indemnify

- a. Under Exclusion 9 except as stated therein
- b. In respect of liquidated damages fines penalties exemplary or punitive damages



## Section 4 - Exclusions

The Insurer shall have no liability under this Policy to indemnify the Insured or anyone for whom insurance is requested in respect of the following exclusions which apply in addition to the General Exclusions of this Policy.

### 1. Aircraft Products

Liability arising from Products Supplied which at the time of the contract of sale or supply are knowingly sold or supplied for use in craft designed to travel through air or space

### 2. Airports

Liability arising out of flying operations and activities incidental to such operations in respect of any airport owned or operated by the Insured

### 3. Contractual Liability

Any liability assumed by the Insured under any contract or agreement unless such liability would have attached in the absence of such contract or agreement or such liability arises from an applicable statutory implied condition or warranty relating to the fitness for purpose or satisfactory quality or safety of any Products Supplied

### 4. Contract Works and J.C.T. Clause 6.5.1

Liability in respect of loss of or damage to any property

- a. comprising or to be incorporated in the contract works in respect of any contract undertaken by the Insured
- b. against which the Insured are required to effect insurance under the terms of Clause 5.5.1 of the J.C.T (R.I.B.A) Conditions of Contract or of any other contract condition requiring insurance of a like kind.

### 5. Exports to the USA or Canada

Liability arising from Products Supplied which at the time of the contract of sale or supply are knowingly exported to the United States of America or Canada or territories under their jurisdiction

### 6. Foreign Operations

Any associated or subsidiary company of the Insured, or branch office or representative of the Insured, with power of attorney domiciled outside the Territorial Limits.

### 7. Medical Malpractice Exclusion

The Insurer shall not be liable under this Policy in respect of any claim arising from the management and provision of Professional Healthcare Services.

For the purposes of this exclusion Professional Healthcare Services shall mean medical treatment or services usually or normally rendered by members of the health care professions including but not limited to

- a) medical and dental practitioners
- b) nurses and midwives
- c) professions allied to medicine
- d) ambulance personnel
- e) laboratory staff and relevant technicians
- f) others making clinical decisions or judgements on behalf of those professions listed above

For the avoidance of doubt Professional Healthcare Services shall also include:

- a) the use of medical apparatus and/or equipment in rendering such medical treatment or services
- b) the management and/or provision of
  - i) drugs
  - ii) medical products
  - iii) food or drink to the extent only that liability arises out of a clinical decision or judgment relating to the selection quantity and nature of such food or drink when important to the well-being and health of the recipient



which shall include the labeling recording supply safekeeping use prescription storage administering and disposal of drugs medical products and food or drink

#### **8. Pollution or Contamination**

Liability in respect of Pollution or Contamination other than caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the period of insurance.

All Pollution or Contamination which arises out of one incident will be deemed to have occurred at the time such incident takes place

#### **9. Products Liability**

Liability in respect of Bodily Injury, loss or damage caused by or arising from Products

#### **10. Professional Advice, Design or Specification**

Liability arising out of professional advice, design or specification given by You for a fee or in circumstances where a fee would normally be charged

#### **11. Property Damage and Defective Work**

Liability arising from

- a) damage to that part of any property upon which You or any Employee or agent of Yours is or has been working where the damage is the direct result of faulty workmanship prior to the sale or transfer of the property to some other party
- b) damage to land or property previously owned by You but sold or transferred to another party where such damage results from a defect in that land or property
- c) Losses consequent upon damage to property designed by You, or on Your behalf, and subsequently sold or transferred to some other party
- d) The cost of rectifying defective work carried out by or on Your behalf

#### **12. Offshore**

Liability in respect of Injury, loss or damage arising in connection with work on or travel to or from Offshore Installations.

#### **13. Property Held in Trust**

Liability arising from damage to property belonging to You, or in either Your or any Employee's custody and control, or held in trust by or borrowed, rented, leased or hired for use by You but this Exclusion will not apply to:

- a) The personal effects including vehicles or their contents of any member, Employee or visitor
- b) Buildings or their contents temporarily occupied by You for the purpose of carrying out work therein or thereon
- c) Premises or their fixtures and fittings hired, rented, leased or loaned to the Insured, other than such damage if liability is assumed by the Insured under a tenancy or other agreement and would have attached in the absence of such agreement

#### **14. Replacing or Rectifying Products**

Liability arising from replacing, reinstating, rectifying, recalling, removing, repairing or guaranteeing the performance of Products Supplied or making any refund on the price of any Products Supplied or damage to the Products supplied themselves

#### **15. Use of Heat Work Away**

Liability arising from or in connection with any work away from Premises owned leased or rented by You which involves the use of grinding wheels cutting discs angle grinders electric oxy-acetylene or other welding or cutting equipment blow lamps blow torches flame guns hot air guns heated bitumen asphalt or tar

#### **16. Vessels and Craft**

Liability arising from the ownership or possession or use by You, or on Your behalf, of craft designed to travel through air or space, hovercraft or watercraft other than waterborne vessels not exceeding 10 metres in length used on inland waterways.

**17. Communicable Diseases Exclusion**

This insurance excludes loss, damage, cost or expense caused by, resulting from, arising out of or related to, either directly or indirectly, or any action taken to hinder, defend against or respond to any Communicable Disease or fear or threat of a Communicable Disease,

For the purposes of this Exclusion, Communicable Disease shall mean:

- a) Coronavirus Disease (COVID-19);
- b) Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2);
- c) any mutation or variation of SARS-CoV-2;
- d) Any other disease, regardless of its nature, type or origin, which is deemed declared an epidemic or pandemic by the World Health Organisation or other governmental or quasi-governmental public health agency, entity or service that may provide such declaration

This exclusion applies regardless of any other cause or event that in any way contributes concurrently or in any sequence to the loss, damage, cost or expense.

## Section 4 – Conditions

The following General Conditions apply to all Sections of this Policy, unless stated otherwise.

### 1. Alteration

If, at any time, anything occurs or is done which materially affects, changes or alters the risk, then You shall give Us immediate notice in writing.

### 2. Contracts (Rights of Third Parties) Act 1999

For the purposes of the Contracts (Rights of Third Parties) Act 1999 the Insured and the Insurer do not intend any term of this Policy to be enforceable by any third party including but not limited to subcontractors.

### 3. Discharge of Liability

The Insurer may at any time pay any Limit of Indemnity after deduction of any sum or sums already paid or any lower amount for which any claim or claims can be settled and then relinquish their conduct and control and be under no further liability in respect of the claim except for the payment of Costs and Expenses incurred with our written consent prior to the date of such payment.

### 4. Law Applicable to Contract

Unless the Insurer agrees otherwise,

- a) The language of the Policy and all communications relating to it will be English; and
- b) all aspects of the Policy will be subject to the law of England and Wales and the parties agree to submit to that jurisdiction in the event of dispute as to the interpretation or application of this Policy.

### 5. Other Insurances

If at the time of any incident giving rise to the risk of a claim under this Policy, or where any such claim is made, there is in force any other insurance covering the same liability, loss, damage or injury, whether effected by You or not, then We will not be liable to contribute to such claim.

### 6. Retention

- 1) The Insurer shall only be liable for the amount of loss that is in excess of the Excess up to the applicable Limit of Indemnity.
- 2) The Excess shall apply to all insured losses under the Policy and shall be borne by the Insured and shall remain uninsured.
- 3) A single Excess amount shall apply for each Occurrence.

### 7. Subrogation

In the event of any payment under this policy, the Insurer shall be subrogated to the extent of the payment to all the Insured's rights of recovery. The Insured shall provide all reasonable assistance requested and execute all papers required and shall do everything necessary to secure and preserve the rights, including the execution of the documents necessary to enable the Insurer effectively to bring suit in the name of the Insured

## Section 5 - Terrorism

### Definitions

#### Act of Terrorism

Acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of Her Majesty's government in the United Kingdom or any other government de jure or de facto.

#### Event

All individual losses arising in respect of a continuous period of 72 hours of which the proximate cause is the same **Act of Terrorism**. The date and time that any such period of 72 hours shall commence shall be set by **the Insurer**.

#### Territorial Limits

England, Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Seas Act 1987.

#### Property Insured

Property as detailed in the **Schedule** but excluding

1. property insured under a
  - a. Marine, Aviation or Transit policy
  - b. Motor Insurance policy (other than Motor Trade policy)
  - c. Road Risks Section of a Motor Trade policy
  - d. reinsurance policy or agreement
  - e. Bankers Blanket Bond

whether such policy or agreement includes cover for an Act of Terrorism or not

2. any land or building which is insured in the name of an individual and is occupied by that individual for residential purposes, unless
  - a. insured under the same policy as the remainder of the land or building which is not a private residence
  - b. the property is a block of flats and/or private dwelling house and the Insured is a trustee or body of trustees or a sole trader

Note 1. Trustees and sole traders are not deemed to be individuals.

Note 2. For the avoidance of doubt, such blocks of flats, self-contained units insured as part of such blocks of flats or such private dwelling houses occupied as a private residence by any of the trustee(s) or sole trader(s) will be deemed to be insured in the name of an individual.

3. any Nuclear Installation or Nuclear Reactor.
4. any loss whatsoever or any expenditure resulting or arising therefrom or any Consequential Loss directly or indirectly relating to a private residence property when insured in the name of a private individual caused by or contributed to by or arising from:
  - a. the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
  - b. ionising radiation or contamination by radioactivity or from the combustion of any radioactive material;
  - c. chemical and/or biological and/or radiological irritants contaminants or pollutants.

#### Damage

**Loss** or destruction of or damage to **Property Insured**.

#### Consequential Loss

Loss resulting from interruption of or interference with the Business carried on by the Insured at the Premises in consequence of loss or destruction of or damage to property used by the Insured at the Premises for the purpose of the Business.

**Nuclear Installation**

Any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time by statutory instrument, being an installation designed for or adapted for

- a. the production or use of atomic energy, or
- b. the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiations, or
- c. the storage, processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter, being matter which has been produced or irradiated in the course of the production or use of nuclear fuel.

**Nuclear Reactor**

Any plant (including any machinery, equipment or appliance, whether affixed to land or not) designed or adapted for the production of atomic energy by a fission process in which a controlled chain reaction can be maintained without an additional source of neutrons.

**Virus or Similar Mechanism**

Program code, programming instruction or any set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, data files or operations, whether involving self-replication or not. The definition of Virus or Similar Mechanism includes but is not limited to trojan horses, worms and logic bombs.

**Phishing**

Any access or attempted access to data or information made by means of misrepresentation or deception.

**Hacking**

Unauthorised access to any computer or other equipment or component or system or item which processes, stores, transmits or retrieves data, whether the property of **the Insured** or not.

**Denial of Service Attack**

Any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems. Denial of Service Attacks include, but are not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses, and the generation of excess or non-genuine traffic between and amongst networks.

## Cover

The Insurer shall indemnify the Insured against Damage or Consequential Loss caused by an Act of Terrorism occurring within the Territorial Limits and certified as such by Her Majesty's Government or Her Majesty's Treasury or any successor or other relevant authority.

Provided always that the insurance by this Section:

- a. is subject to the terms, definitions, provisions, conditions and extensions of this Policy except as expressly varied under this section and providing that if there is conflict between this section and the rest of the Policy this section will prevail
- b. is subject to a maximum Period of Insurance of 12 months from the Effective Date or any subsequent Renewal Date of this Policy
- c. is not subject to any Long Term Undertaking
- d. is not subject to any terms in the General Cover Policy which provide for adjustments of premium.

The most the Insurer shall pay for any one Event shall not exceed:

1. the Total Sum Insured, or
2. for each item its individual Sum Insured, or
3. any other limit of liability

in the Schedule, whichever is the less, except where the liability of the Insurer exceeds the Total Sum Insured, or for each item its individual Sum Insured, or any other limit of liability in Schedule, where such excess is solely in respect of any Cover Extension as provided for in the General Cover Policy.

## Section 5 - Exclusions

The Insurer will not be liable for

### 1. Digital and Cyber Risk Exclusion

any losses whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from

- a) the alteration, modification, distortion or corruption of or damage to any computer or other equipment or component or system or item which processes, stores, transmits or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software), or
- b) any alteration, modification, distortion, erasure or corruption of data processed by any such computer or other equipment or component or system or item

whether the property of the Insured or not, where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from Virus or Similar Mechanism or Hacking or Phishing or Denial of Service Attack.

### 2. Riot, Civil Commotion and War

any losses whatsoever occasioned by riot, civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.

## Section 5- Conditions

### **Burden of Proof**

In any action suit or other proceedings where the Insurer alleges that any damage or loss resulting from damage is not covered by the Policy, the burden of proving that such damage or loss is covered shall be upon the Insured.



## Section 6 - Computer

### Definitions

#### Accident

- A. Loss of or damage to Property Insured under Cover A, B, C
- B. The failure of any telecommunications system used in connection with the Property Insured caused by accidental physical damage occurring within the United Kingdom
- C. The accidental failure or fluctuation of the supply of electricity to the Property Insured
- D. Denial of access to or use of the Property Insured by the Insured due to
  - i. loss of or damage to other property at or in the vicinity of the Premises shown in the Schedule or
  - ii. the exercise by any public or Police authority of its powers for the sole purpose of safeguarding life or property
- E. Corruption.

#### Anti-Virus Software

A software program which is activated to protect the Property Insured and which

- A. updates Virus or Similar Mechanism definitions no less frequently than once every seven days
- B. scans as a minimum
  - i. all data downloaded to or received by the Property Insured including CD-ROMs floppy discs the Internet e-mails and attachments or any peripheral device
  - ii. the Property Insured no less frequently than once every seven days.

#### Auxiliary Equipment

Auxiliary equipment solely for use with Computer Equipment comprising temperature and environmental control equipment power supply voltage regulation and protective devices

Auxiliary Equipment is limited to property belonging to the Insured or leased hired rented or licensed or on Deferred Purchase to the Insured.

#### Breakdown

The actual breaking or failure of any part of the item while in use causing stoppage of its function and necessitating immediate repair or replacement of the item before it can resume normal working arising from

- A. a mechanical or electrical defect in the item
- B. an occurrence external to the item (other than damage resulting from impact) which causes or results in mechanical or electrical failure of the item.

#### Computer Equipment

Installed Computer Equipment and Portable Computer Equipment.

#### Computer Media

- a. data carrying materials of all types (other than paper records)
- b. software programs or data (other than paper licence agreements)
- c. licence agreements which are protected by a hardware key disk dongle or other physical encryption device used to prevent unauthorised copying sharing or other actions unacceptable to the manufacturer or vendor of the software programs or data

Computer Media is limited to property belonging to the Insured or leased hired rented or licensed or on Deferred Purchase to the Insured.

#### Corruption

Loss distortion corruption or erasure of software programs or data forming part of Computer Media.

**Deferred Purchase**

An agreement which the Insured enters into which entitles the Insured to defer payment for Property Insured for a period in excess of usual trade credit.

**Firewall**

Hardware software and procedures used to block and permit data traffic between the Property Insured and other IT equipment and networks as the Information Security Policy dictates.

**Hacking**

Unauthorised access to any computer or other equipment or component or system or item whether part of the Property Insured or not which processes stores transmits or retrieves data.

**Information Security Policy**

A formal written policy that is reviewed and updated in accordance with an ongoing and business embedded risk assessment process and which sets out the Insureds approach to managing information including but not limited to:

- a. authorisation rights access control and the use of passwords
- b. the proper use of computers and data including the use of e-mail and equipment excluding equipment controlling any manufacturing process
- c. action needed in the event of a breach of security
- d. disciplinary procedures for non compliance.

**Installed Computer Equipment**

Mainframes servers personal computers and other installed equipment used for the electronic processing communication and storage of data including

- a. fixed discs interconnecting wiring and telecommunications equipment
- b. printers scanners and other peripheral computer equipment excluding equipment controlling any manufacturing process.

Installed Computer Equipment is limited to property belonging to the Insured or leased hired rented or licensed or on Deferred Purchase to the Insured.

**Indemnity Period**

The period during which the additional expenditure or Financial Loss is incurred beginning immediately following an Accident and continuing for a period no longer than the Indemnity Period shown in the Schedule.

**Premises**

The Premises stated in the Schedule.

**Property Insured**

Computer Equipment Computer Media and Auxiliary Equipment.

**Loss of Interest**

Interest that the Insured

- a. would have earned on money that would have been received and/or
- b. would not have been incurred

had the Accident not occurred.

**Maintenance Agreement**

A maintenance rental hire or lease agreement providing at an inclusive cost on-call remedial maintenance with free repair or replacement in the event of Breakdown arising out of normal use.

**Portable Computer Equipment**

Equipment used for the electronic processing communication and storage of data that is designed to be carried on or by a person consisting of

- a. laptops palmtops notebooks and tablet personal computers
- b. personal digital assistants and smartphones
- c. removable vehicle satellite navigation systems and digital cameras
- d. printers projectors broadband modems and other devices which connect to other Portable Computer Equipment but excluding mobile devices where the sole or primary function of the item is to make send and receive telephone calls and SMS messages.

Portable Computer Equipment is limited to property belonging to the Insured or leased hired rented or licensed or on Deferred Purchase to the Insured.

**Virus or Similar Mechanism**

Program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise adversely affect computer programs data files or operations whether involving self replication or not. This includes but is not limited to viruses trojan horses worms and logic bombs.

## Cover

### A - All Risks including Breakdown

Loss of or damage to Computer Equipment or Auxiliary Equipment occurring during the Period of Insurance while at any Premises shown in the Schedule within the United Kingdom.

### B - Breakdown

Damage to Computer Equipment or Auxiliary Equipment while at any Premises shown in the Schedule within the Territorial Limits caused by Breakdown.

### C - Computer Media

- a. Loss of or damage to data carrying materials
- b. The cost necessarily and reasonably incurred by the Insured in
  - i. recompilation of data or software programs from other records including with the prior consent of the Insurer the cost of employing a specialist company or consultant to assist in the recovery of data
  - ii. repurchase of proprietary software following Corruption

occurring during the Period of Insurance anywhere in the world.

### D - Additional Expenditure

Additional expenditure necessarily and reasonably incurred by the Insured during the Indemnity Period to prevent or minimise interruption of or interference with the operations of the Business carried out by the Computer Equipment in consequence of an Accident occurring during the Period of Insurance.

### E - E Risks

#### A. Seek Destroy and Prevent

The cost necessarily and reasonably incurred by the Insured in

- i. locating and removing a Virus or Similar Mechanism contained in any insured host program or executable disk segment within the Computer Equipment or contained in Computer Media solely to avoid or minimise Corruption
- ii. employing professional consultants to recommend potential improvements to avoid a similar occurrence of Virus or Similar Mechanism or Hacking
- iii. re-working any data projects to incorporate improvements in the protection of data recommended under ii. above

Provided that:

1. the Insured became aware of the presence of the Virus or Similar Mechanism during the Period of Insurance
2. the Insurer has agreed to the actions being taken.

#### B. Malicious Code or Attack

The cost necessarily and reasonably incurred by the Insured

- i. in recompilation of data or software programs from other records including with the Insurer's prior consent the cost of employing a specialist company or consultant to assist in the recovery of data
- ii. in repurchase of proprietary software
- iii. in respect of any additional expenditure during the Indemnity Period to prevent or minimise interruption of or interference with the operations of the Business carried out by the Computer Equipment

in consequence of Corruption occurring during the Period of Insurance anywhere in the world caused by or resulting from

1. Virus or Similar Mechanism
2. Hacking.

Provided that Cover A, B, C, D are shown as operative.

### Limit of Liability

The liability of the Insurer under this Section shall not exceed

**Cover A, B, C**

the Limits of Liability shown in the Schedule in connection with the cost arising from any one Accident or occurrence of loss or damage.

Provided that the Insurer's liability for damage to Computer Equipment and Auxiliary Equipment which is not subject to a Maintenance Agreement caused by its own Breakdown or derangement arising from a single cause is limited to the lesser of £10,000 or the Limit of Liability shown in the Schedule.

**Cover E**

A. £5,000

B. during any one Period of Insurance the lesser of

i. £100,000 or

ii. 10% of the aggregate of the Cover C and Cover D Limits of Liability shown in the Schedule.

**Extensions**

the amounts shown in the Extensions in connection with the cost arising from any one Accident or occurrence of loss or damage or as more specifically stated in the Extension.

**Basis of Settlement****Cover A, B Reinstatement**

- a. Replacement of any item lost or damaged beyond repair by new property of equal performance and/or capacity or if this is not possible its replacement by new property having the nearest higher performance and/or capacity to the item lost or damaged.

the Insurer will

- i. subject to a. above replace any item lost or damaged beyond repair with an item from the same manufacturer
- ii. pay the cost incurred by the Insured in replacing the item

or

- b. Repair of any item otherwise damaged.

Provided that

- i) reinstatement shall be carried out without delay and in the most economical manner
- ii) where any Property Insured is damaged or lost in part only the liability of the Insurer shall not exceed the cost of reinstatement had it been wholly lost
- iii) no payment shall be made until reinstatement has been carried out
- iv) the amount payable shall not exceed the new replacement value of the Property Insured that has been lost or damaged
- v) if reinstatement is not carried out the Insurer reserves the right to pay the cost of indemnifying the Insured provided that such cost does not exceed the cost of reinstatement.

## Section 6 – Extensions

In calculating the most the Insurer will pay for any occurrence adjustments shall be made in accordance with the following clauses.

### 1. Transit

This Section is extended to cover Computer Equipment and Auxiliary Equipment insured under Cover A and B anywhere in the world

Provided that the liability of the Insurer shall not exceed

- a. £100,000 while in or while in transit between countries belonging to the European Union or the European Free Trade Association including the Isle of Man and the Channel Islands
- b. £50,000 while at any other situation in the world.

### 2. Debris Removal

This Section is extended to cover the cost necessarily and reasonably incurred by the Insured in

- a. removing debris
- b. dismantling and/or demolishing
- c. shoring up propping and/or protecting

following damage insured by A, B.

Provided that

- i. this Extension excludes cost associated with complying with The Waste Electrical and Electronic Equipment (WEEE) Regulations 2009 including any subsequent amendments and revisions
- ii. the liability of the Insurer shall not exceed £50,000.

### 3. Expediting Cost

This Section is extended to cover the cost necessarily and reasonably incurred by the Insured with the consent of the Insurer in making temporary repairs to and/or the expediting of the repair reinstatement or replacement of the Computer Equipment and Auxiliary Equipment following loss or damage insured under Cover A and B.

Provided that the liability of the Insurer shall not exceed £50,000.

### 4. Investigation Cost

This Section is extended to cover the cost (including the cost of consultants fees) incurred with the prior consent of the Insurer in conducting investigations and tests in respect of possible repair or replacement options following loss or damage insured under Cover A, B.

### 5. Additional Equipment

This Section is extended to cover additional items of Computer Equipment or Auxiliary Equipment

- a. belonging to the Insured or leased hired rented or licensed or on Deferred Purchase to the Insured
- b. on loan or trial for a continuous period not exceeding three months during the Period of Insurance.

Provided that

- i. the value of equipment covered under this Extension shall not exceed 25% (twenty five percent) of the amount shown in the Schedule under Cover A and B or £350,000 whichever is less
- ii. so far as the Insured is aware the additional equipment is free from any material defect  
the value of the equipment is declared to the Insurer within one month of expiry of each Period of Insurance

### 6. Recharging of Gas Reservoirs

This Section is extended to cover the cost of recharging gas reservoirs installed solely for the protection of the Property Insured following accidental discharge following loss or damage insured under Cover A, B.

Provided that the liability of the Insurer shall not exceed £50,000.

**7. Damage to Security Devices**

This Section is extended to cover the cost incurred in repairing or replacing

- a. security devices solely for the physical protection of the Computer Equipment
- b. any table desk or trolley or other working surface to which security devices have been secured lost or damaged by theft or attempted theft of Computer Equipment insured under Cover One of this Section.

Provided that the liability of the Insurer shall not exceed the lesser of

- i. £50,000 or
- ii. 10% (ten percent) of the Cover A and B Limit of Liability

**8. Additional Lease or Rental Cost**

This Section is extended to cover the cost of additional lease or rental charges arising out of the replacement of a lease or rental agreement in respect of Computer Equipment by a new agreement for similar equipment in consequence of loss or damage insured under Cover A, B. Provided that

- a. the period in respect of which additional charges shall be paid shall commence immediately after the occurrence of the loss or damage and shall end not more than two years later or on expiry of the original agreement whichever is earlier and
- b. the liability of the Insurer shall not exceed £50,000.

**9. Security Guard Cost**

This Section is extended to cover the additional cost incurred in employing temporary professional security guards following an insured loss at any Premises by theft or malicious damage (including arson) insured under Cover A, B of this Section.

Provided that

- a. the agreement of the Insurer has been obtained for employment of security guards for more than four days
- b. the Insurers are satisfied that the employment of guards is necessary solely for the protection of Property Insured
- c. the liability of the Insurer shall not exceed £10,000.

**10. Fire Brigade Charges**

This Section is extended to cover the cost of charges arising from the activities of the Fire Brigade in dealing with the consequences of loss or damage insured under Cover A, B.

Provided that the liability of the Insurers shall not exceed £50,000.

**11. Waste Disposal Cost**

This Section is extended to cover the cost necessarily and reasonably incurred with the consent of the Insurer in complying with The Waste Electrical and Electronic Equipment (WEEE) Regulations 2009 including any subsequent amendments and revisions following loss or damage to Computer Equipment or Auxiliary Equipment insured under Cover A, B.

Provided that

- a) the Insurer is satisfied that the Insured is liable for the cost of disposal
- b) the Insured provide a copy of the certificate evidencing disposal
- c) the Insurers consent has been gained to dispose of the Computer Equipment or Auxiliary Equipment
- d) the liability of the Insurer for the cost of disposal shall not exceed £25,000.

**12. Cost of Recovery following Theft**

This Section is extended to cover the cost of employing specialist investigators to aid the recovery of stolen or lost Computer Equipment that contains confidential or secret data or information following a loss insured under Cover A, B.

Provided that

- a) the prior agreement of the Insurer has been obtained for employment of the specialist investigators



- b) the Insurer is satisfied that the cost of employment of the specialist investigators is necessary and reasonable to protect the Insured against legal prosecution or commercial embarrassment that could result from the loss of confidentiality of the data or information
- c) the liability of the Insurer shall not exceed £10,000.

**13. Incompatibility of Computer Media**

This Section is extended to cover the cost of

- a) modification of Computer Equipment or
- b) the replacement restoration or recompilation of Computer Media.

whichever is the lesser cost to achieve compatibility in the event that loss of or damage to Computer Equipment insured under Cover A, B has resulted in undamaged Computer Media being unavoidably incompatible with replacement equipment.

Provided that

- i. the Insured has cover under Cover C
- ii. the liability of the Insurer shall not exceed £50,000.

**14. Reward following Successful Recovery**

This Section is extended to cover the cost incurred by the Insured in paying

- a) a financial reward for information that directly results in the Insurer recovering Property Insured following theft for which the Insurer has admitted liability and
- b) the associated cost of advertising the reward

following an insured loss by theft under Cover A and B of this Section. Provided that the Insurer has approved the cost involved and

- i. the loss has occurred and the reward is paid within the United Kingdom
- ii. the Police are made aware of and have approved the offering of the reward and are in the course of pursuing prosecution
- iii. a receipt of the advertising cost and reward payment made is presented to the Insurer signed by the person(s) involved in arranging for the advertising and/or collecting the reward and showing their full name and address
- iv. the Insured their employees or relations of either do not benefit from any reward provided by this Extension
- v. the Insurer's liability pursuant to this extension shall not exceed the lesser of 10% (ten percent) of the loss or damage or £10,000.

**15. Reduction of Environmental Impact**

Cover for Property Insured under Cover A and B includes an amount for the additional cost reasonably incurred by the Insured in replacing Computer Equipment or Auxiliary Equipment lost or damaged beyond repair with alternative equipment which performs the same primary functions but reduces the environmental impact of ownership and/or use

The additional cost incurred includes but is not limited to replacing the Computer Equipment or Auxiliary Equipment with equipment that uses

- a) less power and/or
- b) consumable materials more efficiently than the Computer Equipment or Auxiliary Equipment lost or damaged.

Provided that the total liability of the Insurer for loss or damage and additional cost shall not exceed the lesser of

- i. 110% (one hundred and ten percent) of the cost of replacement had the additional cost not been incurred or
- ii. the Cover A and B Limit of Liability shown in the Schedule.

**16. Research and Development Cost**

This Section is extended to cover the cost of re-writing any data processing research or software development project (including the cost of recollection of data and digital images that do not exist in other records) following Corruption insured under Cover C to the stage reached immediately prior to the occurrence of the Corruption but excluding any benefit to the Insured which would have been obtained from the completion of the project had the Corruption not occurred.

Provided that

- a) the liability of the Insurer shall not exceed 20% (twenty percent) of the Cover C Limit of Liability or £25,000 whichever is less
- b) Condition 1 Duplicate Records and Data Security of this Section is complied with in full
- c) solely for the purposes of this Extension Exclusion 7 is deleted.

**17. Loss of Interest**

This Section is extended to cover loss of Interest during the Indemnity Period solely in consequence of the occurrence of an Accident insured under Cover D during the Period of Insurance.

Provided that

- a) the liability of the Insurer in respect of any one Period of Insurance shall not exceed 10% (ten percent) of the Limit of Liability shown in the Schedule under Cover D
- b) Loss of Interest relates solely to identifiable transactions carried out or would but for the Accident have been carried out by the Computer Equipment.

**18. Claims Preparation Cost (including Accountants Fees)**

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 additional expenditure and/or Financial Loss resulting from an Accident for which liability has been accepted but limited to

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

Provided that the liability of the Insurer shall not exceed £50,000.

**19. 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 mitigate impending loss or damage which would have resulted in a claim under this Section.

Provided that

- a) the impending loss or damage did not arise from any defect in the Property Insured
- b) the impending loss or damage did not arise from a reasonably foreseeable cause
- c) the loss 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 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 or damage insured by this Section had occurred.

**20. Payments on Account**

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

**21. Inadvertent Omissions**

This Section is extended to cover Property Insured at any Premises owned or occupied by the Insured which has inadvertently not been declared to the Insurer by the Insured.

Provided that

- a) the value of Insured Property at the Premises does not exceed £100,000
- b) the premium which should have been paid in respect of the Insured Property is calculated from the date that the declaration should have been made to the Insurer and paid by the Insured.

## Section 6 – Exclusions

### 1. Excess

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

### 2. Exclusion Period If No Maintenance Agreement

Financial Loss incurred during the first 24 hours or any greater period stated as the Time Exclusion in the Schedule following Breakdown or derangement of any item of Property Insured for which a Maintenance Agreement is not in force.

### 3. Guarantee Maintenance Agreement or Manufacturers Responsibility

loss or damage

- a. recoverable under any guarantee or Maintenance Agreement
- b. insured under Cover A and B and caused by or arising from a defect in Computer Equipment or Auxiliary Equipment for which a manufacturer has accepted responsibility and agreed to rectify at their expense.

Paragraph b. of this Exclusion shall not apply to other Property Insured that suffers loss or damage and which is free from the defect.

### 4. Electricity Supply

additional expenditure or Financial Loss in consequence of a failure or fluctuation of the supply of electricity directly or indirectly due to

- a. a deliberate act not performed for the sole purpose of safeguarding life or protecting any part of the supply system
- b. a scheme of rationing not necessitated by accidental damage to the generating or supply distribution equipment
- c. the inability of the supplier to maintain the supply system due to industrial action.

### 5. Specified Events

loss or damage by

- a. fire howsoever caused
- b. fire extinguishing fluid
- c. explosion
- 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
- h. accidental damage more specifically insured elsewhere.

This Exclusion shall not apply

- i. when Cover A is shown in the Schedule
- ii. to Cover B, Cover C or Cover D of this Section.

### 6. Telecommunications Systems

additional expenditure or Financial Loss in consequence of a failure of any telecommunications system directly or indirectly due to

- a. the use by the Insured of equipment which is not approved by the telecommunications supplier
- b. failure of any satellite before it has obtained its full operating function or when it is in or past the final year of its design life
- c. atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite
- d. the deliberate act of any telecommunications supplier to withhold or restrict operation of the system or the inability of the supplier to maintain the system due to industrial action.

#### **7. Software still awaiting approval**

any cost incurred in consequence of the use by the Insured of software programs on which development has not been finalised or which has not passed all testing procedures and has not been successfully proven.

#### **8. Time Limitation**

additional expenditure or Financial Loss commencing more than 12 months after the date on which the Accident occurred.

#### **9. Wear and Tear or Gradual Deterioration**

the cost of rectification of wear and tear and gradual deterioration due to atmospheric conditions or otherwise rust corrosion or oxidation or scratching of painted or polished surfaces.

#### **10. Value of Data**

the value to the Insured of data stored on Insured Property.

#### **11. Programming Errors or Design Defects**

the cost of rectifying programming errors or design defects in software and any additional expenditure or Financial Loss in consequence of such errors or defects.

This Exclusion shall not apply to additional expenditure or Financial Loss consequent on Corruption of other software caused by programming errors or design defects in any proprietary software.

#### **12. Inventory Losses and Unidentifiable Occurrence**

loss of the Property Insured cost or any additional expenditure or Financial Loss in consequence of

- a. disappearance or shortage only revealed when an inventory is made or
- b. the Property Insured being stolen or otherwise missing unless such loss is identifiable by the Insured with a specific occurrence which has been the subject of notification under the terms of the Claims Conditions including reporting the matter to the Police.

#### **13. Other Consequential Loss**

liquidated damages penalties for delay or detention or in connection with guarantees of performance or efficiency or any other form of consequential loss or damage not specifically provided for in this Section.

#### **14. Property in Unattended Vehicle**

loss damage cost additional expenditure or Financial Loss due to theft or attempted theft while the Property Insured is in an unattended vehicle unless

- a. the doors of the vehicle are locked and all its windows and other openings are fully closed and properly fastened
- b. the vehicle is in a locked garage or compound overnight
- c. the Property Insured is concealed from view
  - i. in a locked boot or covered luggage compartment in a motor car or
  - ii. in an enclosed luggage area of a van or lorry
- d. any alarm system fitted to the vehicle is activated.

#### **15. Pollution or Contamination**

loss damage or Corruption 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 Insured Property caused directly by an occurrence which is insured by this Section.

#### **16. E Risks**

loss damage or Corruption directly or indirectly caused by or occasioned by or arising from or in consequence of Virus or Similar Mechanism or Hacking.

This Exclusion does not apply to Cover E

## Section 6 – Conditions

### 1. Duplicate Records and Data Security

#### A. The Insured shall

- i. back up data records and update the records no less frequently than once every 7 (seven) days
- ii. maintain up to date duplicate copies of software programs and data where possible
- iii. store back up data records and up to date duplicate software programs away from the building where the original software programs and data is held.

#### B. In respect of Cover E the Insured shall also

- i. verify the backed up data records for readability and where practicable restore them to the system at least once every 31 (thirty one) days and run in a full test of their integrity and ability to perform all the functions of the original data or software
- ii. have in full effect at all times
  1. Anti-Virus Software
  2. a subscription to a virus alert service provided by Anti-Virus Software vendors
  3. a Firewall which applies to all connections between Property Insured and other IT equipment and networks which is reviewed at least once per month and updated where required
  4. a formal and written Information Security Policy
  5. where available a subscription to an automated update (patching) service for all software programs used by the Insured or on which they depend to operate their Business.

### 2. Observance of Policy Terms

The liability of the Insurer will be conditional on the Insured complying and as appropriate any other person entitled to indemnity complying as though they were the Insured with the terms of this Section.

### 3. Alteration

The Insured shall notify the Insurer as soon as reasonably practicable if after the commencement of this insurance the risk is materially increased. The Insurer has the right (with effect from the date of the material increase to charge an additional premium and/or amend the Excess and/or apply limits and/or apply exclusions of cover, to reflect what the Insurer could have reasonably demanded had the increased risk been declared prior to commencement of this Policy.

Additionally if after the commencement of this insurance:

- a. the Insured's interest ceases except by the operation of law; or
- b. the Business is wound up or carried on by a liquidator or receiver, or put into administration or otherwise permanently discontinued

the insurer shall have the right to serve notice on the Insured in accordance with the cancellation clause in this policy.

### 4. Non Invalidation

Where the risk of Accident is increased solely due to an act omission or alteration unknown to the Insured General Condition 1 Fair Presentation of Risk and Section Condition 3 Alteration In Risk shall not apply

Provided that

- a. immediately the Insured becomes aware of the act omission or alteration they provide notice to the Insurer and
- b. pay any additional premium required by the Insurer.

## Section 6 – Claims Conditions

### 1. Options for Claims Settlement

- a. The Insurer may at their option repair reinstate or replace what is lost or damaged or pay for the loss or damage in money.

If any Property Insured is to be reinstated or replaced by the Insurer the Insured shall provide all such plans documents books and information as may reasonably be required and other than as provided for under Extension 18 Claims Preparation Cost (including Accountants Fees) the Insured shall do so at their own expense.

The Insurer shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner

- b. 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
  1. the requirements of General Conditions 6 and Claims Condition 3 have been complied with and
  2. the repairs are carried out to the satisfaction of the Insurer
- c. Where loss or damage is confined to a part of an item 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
- d. The Insurer shall only be liable for cost of additional expenditure resulting from the period of repair or replacement of the part plus necessary dismantling and erection for which the Insured is responsible
- e. The Insured shall not be entitled to abandon any property to the Insurer whether taken into the possession of the Insurer or not.

### 2. Additional Claims Conditions

In the event of any occurrence which may give rise to a claim under this Section the Insured shall at their own expense deliver to the Insurer

- a. within 30 (thirty) days after such occurrence (28 (twenty-eight) days in the case of loss or damage by riot civil commotion strikers locked-out workers persons taking part in labour disturbances malicious persons or theft) or such further time as the Insurer may allow in writing
  - i. full information in writing of the Property Insured and the amount of loss or damage
  - ii. details of any other insurances on the Property Insured covered by this Section
- b. all such proof and information relating to the claim as may reasonably be required
- c. if required a statutory declaration of the truth of the claim and of any matters connected with it.

The Insurer will not pay for any claim unless the terms of this Claims Condition have been complied with and any payment on account already made shall be repaid to the Insurer.

### 3. Other Insurance

The Insurer will not indemnify the Insured in respect of loss damage cost or additional expenditure which is insured by or any excess beyond the amount payable under the other policy or which would have been payable under the other policy had this insurance not been effected.

### 4. Subrogation

The Insured under this Section shall at the request and expense of the Insurer take or permit to be taken all necessary steps, and will provide reasonable assistance, for enforcing rights against any other party in the name of the Insured before or after any payment is made by the Insurer.

### 5. Arbitration

If any difference arises as to the amount to be paid under this Section such difference shall be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions. Where any difference is by this Condition to be referred to arbitration the making of the award shall be a condition precedent to any right of action against the Insurer.

### 6. Waiver of Subrogation Rights

Notwithstanding Claims Condition 4 Subrogation of this Section the Insurer agree to waive any rights against any parent company and/or subsidiary company whose activities are conducted and/or managed by the Insured in whole or in part and/or any shared time users of the Computer Equipment arising out of any payment made under this Section.

Provided that

- a. the Insured does not receive any form of indemnity or damages or other compensation from such company and/or user and
- b. any such company and/or user shall as though they were the Insured observe fulfil and be subject to the terms limitations and Conditions of this Section and Policy.

#### **7. Average**

If at the time of the loss or damage the sum representing 85% (eighty five percent) of the new replacement value of Property Insured under Cover A and B exceeds the sums declared by the Insured for the purpose of calculation of premium the Insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss or damage accordingly. For the purpose of this Condition reference to the Property Insured shall not include additional property for which insurance is provided by Extension 5 Additional Equipment.



## Section 7 - Engineering - Machinery Damage

### Definitions

#### Property Insured

Machinery building services equipment and plant owned by or leased to the Insured at the Premises which operates under electrical and/or mechanical power and is ready for use in connection with the Business but excluding:

- a. any supporting structure, foundation, masonry, brickwork or cabinet;
- b. any insulating or refractory material;
- c. equipment manufactured by the Insured for sale
- d. Property that is prototype experimental or untried
- e. any Manufacturing, Production or Process Equipment including linked Computer Equipment
- f. self-propelled plant and equipment (other than fork lift trucks and pallet trucks used by the Insured at their Premises) excavation or construction equipment;
- g. office machinery computers or other electronic data processing equipment
- h. materials being processed by or contained in the Property Insured
- i. plant machinery pipes or cables situated underground
- j. any vehicle, aircraft, floating vessel or any equipment mounted on such vehicle

#### Accident

- a. electrical or mechanical Breakdown, including rupture or bursting caused by centrifugal force;
- b. artificially generated electrical current, including electric arcing, that damages electrical devices, appliances or wires;
- c. Explosion or Collapse of Property Insured operating under steam or other fluid pressure;
- d. Damage to hot water boilers, other water heating equipment, oil or water storage tanks or other Property Insured operating under steam or other fluid pressure, caused by or resulting from any condition or event (not otherwise excluded) occurring inside such equipment; or
- e. Damage caused by operator error that results in the overloading of Property Insured.

Losses or series of losses arising directly from the same originating Accident shall be considered one Accident

#### 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 part of the Covered Equipment by frost when such fracture renders the Property Insured inoperative;

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 Covered Equipment caused by crushing stress by force of steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents).

#### Explosion

The sudden and violent rending of the Property Insured by force of internal steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents) causing bodily displacement of any part of the Covered Equipment together with forcible ejection of the contents.

#### Fuel Storage Tanks

Tanks or similar containers designed and used to store oil and other fossil fuels or liquid propane gas

#### Hazardous Substances

Any substance other than ammonia that has been declared to be hazardous to health by a government agency.

**Hired in Plant**

Mechanical, electrical or manually powered implements, materials, containment, preparation and handling equipment, scaffolding, staging, ladders and similar equipment hired in by the Insured.

**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.

**Premises**

The Premises at the address or addresses shown in the Schedule, including their grounds, all within the boundaries for which the Insured are responsible and being, unless more specifically described in the Schedule, occupied by the Insured for the purpose of the Business.

**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
- d. piping associated with any of the above forming part of the Property Insured.

**Production or Process Equipment**

Any machine or apparatus (other than kitchen and food preparation and laundry equipment) which processes, forms, cuts, shapes, grinds or conveys raw materials, materials in process or finished product, including any equipment forming a part of the driving or controlling mechanism for such machine or apparatus.

**Territorial Limits**

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

**Cover**

The Insurer will indemnify the Insured under this Section for direct physical damage caused to Property Insured resulting from an Accident and in accordance with the terms below.

**A. 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.

**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

the limit of liability shown in the Schedule or if non shown £1,000,000.

**B. 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 A above.

**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

£1,000,000 or 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.

## Section 7 - Extensions

In calculating the most the Insurer will pay for any one occurrence, 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 Policy 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

- i. 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
- ii. 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.

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. 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 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. 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 liability of the Insurer in respect of any one claim for the removal of Property Insured following insured damage shall not exceed 20% (twenty percent) or £50,000 whichever is the lower of the cost of repair reinstatement or placement of the Property Insured.

**4. Additional Cost**

This Section is extended to cover the necessary and reasonable cost incurred by the Insured with the consent of the Insurers in making temporary repairs to and/or the expediting of the repair, reinstatement or replacement of the Property Insured following loss destruction or damage insured by this Section.

Provided that the liability of the Insurer in respect of any one claim following insured loss damage or destruction shall not exceed 20% (twenty percent) or £20,000 whichever is the lower of the cost of repair reinstatement or replacement of the Property Insured.

**5. 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.

The liability of the Insurer shall not exceed £25,000 in respect of any one occurrence of loss damage or destruction.

**6. Hired in Plant**

The Insurer shall be liable in respect of the Insured's legal liability under the terms of a hiring agreement to pay:

- a. for loss of or damage to Hired in Plant; or
- b. continuing hiring charges for Hired in Plant following loss or damage insured under Cover A whilst the Hired in Plant is at the Premises and whilst in transit (other than by sea or air) from one Premises to another.

The Insurer will, where legal proceedings have been defended with the Insurer's written consent, be liable for all legal expenses actually incurred by the Insured.

Provided that:

1. the maximum liability of the Insurer under this Extension shall not exceed £25,000 in any one Period of Insurance.
2. the insurance under this Extension shall apply only to items of Hired Plant which have a new replacement value of £10,000 or less.

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 Extension shall not exceed £30,000 any one claim
4. Exclusion 2 Perils does not apply to this Extension of cover.

## **7. 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 damage for which indemnity is provided by this Section.

Provided that

- a. the liability of the Insurer under this Extension shall not exceed 20% (twenty percent) of any one claim following loss damage or destruction insured under this section or £25,000 whichever is the lower in connection with any one occurrence regardless of the number or amount of claims resulting from the occurrence
- b. the value of the contents does not exceed in respect of
  - i. any one Fuel Storage Tank £25,000
  - ii. all Fuel Storage Tanks £100,000.

This Extension does not cover

- a. loss of contents by evaporation seepage contamination or any form of trade loss
  - b. the cost of releveling Fuel Storage Tanks unless resulting from sudden and unforeseen damage insured by this Section
  - c. 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
  - d. loss destruction or damage by or in consequence of the process of cleaning up the contents of the Fuel Storage Tanks
- 8.** 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.

## **9. 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.

**10. Hazardous Substances**

The Section is extended to cover costs incurred by the Insured in repairing replacing or reinstating Property Insured caused by contamination by a Hazardous Substance, including any additional expenses incurred in cleaning up or disposing of such property.

The liability of the Insurer under this Extension shall not exceed 20% (twenty percent) or £15,000 whichever is the lower in connection with any one occurrence.

**11. Loss of Rent**

This Section is extended to cover consequential loss as described under the Loss of Rent Section to this Policy which results from loss damage or destruction other than by Explosion for which liability has been admitted by the Insurer under this Engineering Machinery Damage Section.

Provided that

- a. the liability of the Insurers under this Extension shall not exceed £100,000 in respect of any one occurrence of loss damage or destruction
- b. the Loss of Rent Section is shown as operative in the Schedule

## Section 7 - Exclusions

### 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**

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.

**14. Computer Date Recognition**

loss destruction or damage (whether sudden and unforeseen or not or accidental or not) directly or indirectly caused by or consisting of or arising from the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of the Insured or not

- a. correctly to recognise any date as its true calendar date
- b. to capture save or retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
- c. to capture save retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date

but this Exclusion shall not apply to subsequent loss destruction or damage arising from or caused by fire lightning explosion aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked out workers persons taking part in labour disturbances malicious persons other than thieves earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal which would but for the application of this Exclusion be insured by this Section.

**15. Confiscation Civil Commotion and Similar Risks**

- a. loss destruction or damage (whether sudden and unforeseen or not or accidental or not) directly or indirectly caused by confiscation nationalisation requisition or destruction of or damage to property by order of the Government or any Public Municipal or Local Authority.
- b. in the case of Property Insured outside Great Britain Northern Ireland the Isle of Man and the Channel Islands loss destruction damage or corruption (whether sudden and unforeseen or not or accidental or not) directly or indirectly caused by warlike operations mutiny conspiracy martial law state of siege or any events or causes which determine the proclamation or maintenance

of martial law or state of siege riot civil commotion strike lock-out persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation.

- c. loss destruction or damage (whether sudden and unforeseen or not or accidental or not) in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of riot civil commotion and (except in respect of damage by fire and explosion) strikers locked out workers persons taking part in labour disturbances or malicious persons.

#### **16. E.Risks**

loss destruction or damage (whether sudden and unforeseen or not or accidental or not) to

- a. any computer or other equipment or component or system or item which processes stores transmits or retrieves data or
- b. any part of a computer or other equipment or component or system or item which processes stores transmits or retrieves data

whether tangible or intangible (including but without limitation any data information or programs or software) and whether part of the Property Insured or not caused directly or indirectly by

- i. Virus or Similar Mechanism

Meaning program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise adversely affect computer programs data files or operations whether involving self replication or not. This includes but is not limited to viruses trojan horses worms and logic bombs

- ii. Hacking

Meaning unauthorised access to any computer or other equipment or component or system or item whether part of the Property Insured or not which processes stores transmits or retrieves data.

but this Exclusion shall not apply to subsequent loss destruction or damage arising from or caused by fire lightning explosion aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked out workers persons taking part in labour disturbances earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal which would but for the application of this Exclusion be insured by this Section.

#### **17. Radioactive Contamination**

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:

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

## Section 7 - Conditions

### 1. Non Invalidation

This Section shall not be invalidated by any act or omission or by any alteration unknown to or beyond the control of the Insured by which the risk of loss destruction or damage is increased, provided that the Insured shall give notice to the Insurer (and pay an additional premium if required) immediately they become aware of such act, omission or alteration.

### 2. Subrogation

Any claimant under this Section shall, at the Insurer's request and expense, take or permit to be taken all necessary steps for enforcing rights against any other party in the name of the Insured, before or after the Insurer makes any payment.

The Insurer agrees to waive any such rights to which the Insurer might become entitled by subrogation against any company standing in relation of parent to subsidiary (or subsidiary to parent) to the Insured or against any company which is a subsidiary of a parent company of which the Insured are themselves a subsidiary, in each case within the meaning of the Companies Act or Companies (Northern Ireland) Order current at the time of the loss destruction or damage.

### 3. Arbitration

If any difference arises as to the amount to be paid under this Section (liability being otherwise admitted by the Insurer), such difference shall be referred to an arbitrator to be appointed by the Insured and the Insurer in accordance with statutory provisions.

Where any difference is referred to arbitration in accordance with this condition, the making of an award shall be a condition precedent to any right of action against the Insurer.

### 4. Additional Claims Conditions

- a. In the event of any occurrence giving rise or likely to give rise to a claim under this Section the Insured shall at their own expense deliver to the Insurer
  1. within 30 (thirty) days after such occurrence 28 (twenty-eight) days in the case of loss or damage by riot civil commotion strikers locked-out workers persons taking part in labour disturbances malicious persons or theft) or such further time as the Insurer may allow in writing
    - i. full information in writing of the Property Insured and the amount of loss or damage
    - ii. details of any other insurances on the Property Insured covered by this Section
  2. all such proof and information relating to the claim as may reasonably be required
  3. if required a statutory declaration of the truth of the claim and of any matters connected with it.

The Insurer will not pay for any claim unless the terms of this Claims Condition have been complied with and any payment on account already made shall be repaid to the Insurer.

- b. 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 the General Claims Condition 6 of this Policy have been complied with and
  - ii. the repairs have been carried out to the satisfaction of the Insurer.
- c. Where 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.

Protector Insurance

Registered in England.

Company number: FC033034

Registered office:

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Spinningfields

Manchester M3 3HF

Financial Services Register Number: 602381