



COMMERCIAL COMBINED POLICY WORDING

Contents

IMPORTANT INFORMATION	3
YOUR RIGHT TO CANCEL	3
TERMINATION	3
HOW TO REPORT A CLAIM	3
HOW TO COMPLAIN	3
FINANCIAL SERVICES COMPENSATION SCHEME (FSCS)	5
DATA PRIVACY NOTICE	5
EMPLOYERS' LIABILITY TRACING OFFICE.....	5
INTRODUCTION.....	7
GENERAL DEFINITIONS	8
GENERAL CONDITIONS	9
GENERAL EXCLUSIONS	16
SECTION A - MATERIAL DAMAGE.....	19
SECTION B - MONEY AND ASSAULT	35
SECTION C - GOODS IN TRANSIT.....	39
SECTION D - BOOK DEBTS	42
SECTION E - LOSS OF LICENCE.....	45
SECTION F - BUSINESS INTERRUPTION	49
SECTION G - EMPLOYERS', PUBLIC AND PRODUCTS LIABILITY.....	61
SECTION H - FIDELITY	73
SECTION I - ALL RISKS AWAY FROM THE PREMISES.....	80
SECTION J - DETERIORATION OF STOCK.....	85

IMPORTANT INFORMATION

YOUR RIGHT TO CANCEL

If this policy does not meet your requirements please return all documents and certificates to the broker who arranged the policy within fourteen days of receipt. Provided you have not made a claim we will return the premium in accordance with the General Condition 4 – Cancellation.

TERMINATION

If you wish to terminate this policy at any other time, please contact your insurance broker. Provided you have not made a claim we will allow a refund of premium in accordance with the General Condition 4 – Cancellation.

HOW TO REPORT A CLAIM

Should You need to report or make a claim to Us, please contact Our specialist claims handler Woodgate and Clark Limited, whose details are below. You may if You wish also advise Your insurance adviser or Our Binding Underwriter to do this on Your behalf.

Woodgate and Clark Limited
42 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4AJ

Claims Telephone: +44 (0) 1732 520273
Out of office Telephone: +44 (0) 1732 520270
Email: newclaim@woodgate-clark.co.uk

It will be helpful when reporting a claim if You are able to advise the Policy number and brief details of the claim.

What to do in the event of a claim

You should take all reasonably practicable steps to mitigate or reduce further Damage or Bodily Injury. No prior approval is required.

If possible provide evidence in the form of photos of damage, injury and documentation including quotes, invoices or receipts.

You should not admit liability even if asked to do so by a third party.

You shall give Us or Our representative all necessary assistance.

Complete and return any claim form sent to You, as soon as possible.

HOW TO COMPLAIN

We are dedicated to providing a high quality service and We want to ensure that We maintain this at all times.

However, in the event that You wish to make a formal complaint You should contact Us using one of the following options:

- In writing (letter or email) to the address shown below; or
- By telephone to the telephone number shown below.

Contact details:

Choice Insurance Agency Limited Compliance Officer
Suite 3, 4a Southchurch Road,
Southend-on-Sea, Essex, SS1 2NE

Email: Complaints@ChoiceInsuranceAgency.Com
Telephone: 01702 411200

We will review Your complaint and will investigate the circumstances regarding Your complaint and write to You within fourteen (14) calendar days with a response.

If You are not satisfied with the response, or have not received a response from Us within fourteen (14) calendar days, You are entitled to refer the matter to Lloyd's. Lloyd's will then conduct a full investigation of Your complaint and provide You with a written final response. If You wish to ask Lloyd's to investigate Your complaint You may do so by contacting:

Contact details – Lloyd's:

Complaints Lloyd's
Fidentia House Walter Burke Way
Chatham Maritime Chatham
Kent
ME4 4RN

Email: complaints@lloyds.com
Tel: +44 (0) 20 7327 5693
Fax: +44 (0) 20 7327 5225
Web: www.lloyds.com/complaints

Details of Lloyd's complaints procedures are set out in a leaflet "HOW WE WILL HANDLE YOUR COMPLAINT" available at www.lloyds.com/complaints and are also available from the above address.

If You remain dissatisfied after Lloyd's has considered Your complaint You may have the right to refer Your complaint to the Financial Ombudsman Service.

Contact details – Financial Ombudsmen Service:

Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London
E14 9SR

Email: complaint.info@financial-ombudsman.org.uk
Tel: For UK callers: 0800 023 4567 (free phone),
or 0300 123 9123 (but charges apply)
Tel: For callers from abroad: +44 (0) 20 7964 0500 (charges apply)
Web: www.financial-ombudsman.org.uk

Please remember that You will have to refer Your complaint to the Financial Ombudsman Service within 6 months of receiving Lloyd's final response.

Making a complaint will not affect Your legal rights. If You appoint someone to act on Your behalf or if You ask someone else to act on Your behalf You should provide Us with written authority to allow Us to deal with them. We will not pay their costs.

FINANCIAL SERVICES COMPENSATION SCHEME (FSCS)

The Insurer is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the FSCS if in the unlikely event that We are unable to meet Our obligations under this Policy. If You were entitled to compensation under the FSCS, the level of compensation payable would depend on the nature of the insurance granted under this Policy.

Further information about the FSCS is available from:

Contact details:

Financial Services Compensation Scheme
PO Box 300
Mitcheldean
GL17 1DY

Email: enquiries@fscs.org.uk

Tel: For UK callers: 0800 678 1100 (free phone)

Tel: For callers from abroad: +44 (0) 20 7741 4100

Web: www.fscs.org.uk

DATA PRIVACY NOTICE

Choice Insurance Agency is the trading name of Choice Insurance Agency Ltd. We are the data controller of any personal information you provide to us or personal information that has been provided to us by a third party. We collect and process information about you in order to arrange insurance policies and to process claims. Your information is also used for business purposes such as fraud prevention and detection and financial management. This may involve sharing your information with third parties such as insurers, brokers, insurance intermediaries such as Managing General Agents, reinsurers, claims handlers, loss adjusters, credit reference agencies, service providers, professional advisors, our regulators, police and government agencies or fraud prevention agencies.

We may record telephone calls to help us monitor and improve the service we provide. For further information on how your information is used and your rights in relation to your information please see

<http://www.choiceinsuranceagency.co.uk/privacy-policy>. If you are providing personal data of another individual to us, you must tell them you are providing their information to us and show them a copy of this notice.

EMPLOYERS' LIABILITY TRACING OFFICE

Certain information relating to your insurance policy including, without limitation, the policy number(s), employers' names and addresses (including subsidiaries and any relevant changes of name), coverage dates, employer's reference numbers provided by Her Majesty's Revenue and Customs and Companies House Reference Numbers (if relevant), will be provided to the Employers' Liability Tracing Office (the 'ELTO') and added to an electronic database, (the Database').

This information will be made available in a specified and readily available form as required by the Employers' Liability Insurance: Disclosure By Insurers Instrument 2010. This information will be subject to regular periodic updating and certification and will be audited on an annual basis.

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

- to identify which insurer (or insurers) was (or were) providing employers' liability cover during the relevant periods of employment; and
- to identify the relevant employers' liability insurance policies.

The Database will be managed by the ELTO.

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

By entering into this insurance policy you will be deemed to specifically consent to the use of your insurance policy data in this way and for these purposes.

INTRODUCTION

Please read this policy together with the Schedule and notify us immediately of any errors or omissions.

The Schedule attached to this booklet provides details of the sections that are operative and the cover that has been agreed.

This Introduction, the General Definitions, General Conditions, General Exclusions, Sections, the Schedule and any Endorsements all form part of this Policy. There are also conditions contained in this Policy that are conditions precedent to Our liability. It is important that You comply with any conditions precedent in addition to Your duties under each section and under the Policy as a whole. If You breach any of these We may deny Your claim, or reduce the amount We pay You.

Wherever a particular meaning has been given to a word or expression in the General Definitions or the Definitions within the Sections of the policy, the same meaning will attach to the word or expression whenever it appears in the Policy or Section respectively.

Our acceptance of this risk is based on the information presented to us being a fair presentation of your business including any unusual or special circumstances which increase the risk and any particular concerns which have led you to seek insurance.

We would draw your attention to the General Condition – Insurance Voidable where in the event of deliberate or reckless misrepresentation and/or non-disclosure of any unusual or special circumstances which increase the risk, we may void the policy.

Our continued acceptance is based on any changes from the original information presented being advised and accepted by us.

We also draw your attention to the General Condition – Alteration where a change in risk shall allow us to avoid a claim or impose additional terms or conditions.

If you are in any doubt about any of the above you should consult your insurance broker or advisor.

We will provide the insurance described in this Policy subject to its terms and conditions for the Period of Insurance shown in the Schedule and any subsequent period for which you shall pay and we shall agree to accept the premium.

Signed on behalf of the Insurers

A handwritten signature in black ink, appearing to be 'M. Smith', written over a horizontal line.

Choice Insurance Agency Ltd
Acting on behalf of Ascot Syndicate 1414 at Lloyd's.

GENERAL DEFINITIONS

The Business

Your Business as described in the Schedule including

- a) the ownership, repair and maintenance and decoration of Your premises
- b) the provision and management of canteen, social, sports and welfare organisations for the benefit of any employee
- c) fire, first aid, medical, ambulance and security services but excluding the provision of any first aid administered by a qualified medical practitioner or nurse

Communicable Disease

Any disease, illness or condition which is caused by or can be transmitted by means of any substance or agent from any organism to another organism (human or otherwise) where:

- a) the substance or agent includes, but is not limited to, any pathogen, virus, bacterium, parasite, fungus or other organism, micro-organism or any variation or mutation thereof, whether deemed living or not, and
- b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms.
- c) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

Damage

Loss destruction or damage.

Defined Perils

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; impact by any road vehicle or animal; theft; subsidence, landslide or heave.

Excess

The first part of each and every loss which You agree to pay after the application of any underinsurance condition.

Epidemic

Any Communicable Disease which is categorised as incident level 4 by NHS England (or the then equivalent categorisation) and for which a Scientific Advisory Group for Emergencies (or the then equivalent group or committee) has been activated by the Cabinet Office Briefing Room.

The Insured/You/Your

The person(s), company or group of companies, or legal liability partnership stated in the Schedule as The Insured.

The Insurers/We/Us/Our

Ascot Syndicate 1414 at Lloyd's

Syndicate 1414 at Lloyd's is managed by Ascot Underwriting Limited which is authorised by the Prudential Regulation Authority and regulated by the Financial

Conduct Authority and Prudential Regulation Authority. Registered in England and Wales No. 04098461. Registered Office: 20 Fenchurch Street, London, United Kingdom EC3M 3BY.

Pandemic

Any Communicable Disease which is categorised as a Public Health Emergency of International Concern (or the then equivalent categorisation) by the Director General of the World Health Organisation.

Period Of Insurance

The period shown in the Schedule for which We accept payment of a premium.

The Premises

The building(s) and land within the boundaries at the address (es) shown in the Schedule.

Stock/Stock In Trade

Stock and materials in trade, work in progress and finished goods, Your property or held by You in trust or on commission or for which You are responsible.

Terrorism

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

Unattended Vehicle

Any vehicle left without a responsible person either within the vehicle or sufficiently close to keep the vehicle under constant observation and able to prevent any attempt by any other person to interfere with the vehicle.

GENERAL CONDITIONS

OBSERVANCE OF TERMS

1. You must at all times observe the terms of this policy.

INSURANCE VOIDABLE

2. This policy shall be voidable in the event of misrepresentation, mis-description or non-disclosure in any material particular.

However, We agree not to void the Policy provided that:

- (a) such misrepresentation or non-disclosure has not been deliberate or reckless
- (b) such misrepresentation or non-disclosure has not been of such nature that, if the material particular had been fairly presented or had been disclosed, We would not have entered into this Policy on any terms.
- (c) We shall be entitled to impose appropriate additional terms (other than Premium) with effect from inception or if applicable the date of the alteration.

If at the time of Damage, claim or loss the premium charged to You would have been higher but for the misrepresentation or non-disclosure in any

material particular Our liability for any loss amount payable shall be limited to the proportion that the premium charged bears to the higher premium.

ALTERATION

3. This policy shall be terminated if:
- (a) the Business is wound up or carried on by a liquidator, administrator or receiver or permanently discontinued or
 - (b) Your interest ceases other than by death or
 - (c) any alteration is made either in the Business or in the Premises or property therein or any other circumstances whereby the risk is increased unless otherwise stated

at any time after the commencement of this Policy unless its continuance be admitted by Us and in respect of 3(c) We agree not to avoid the Policy provided that:

- (i) such alteration is not of such a nature that if the alteration had occurred prior to the commencement on this Policy We would not have entered into this Policy on any terms.
- (ii) You shall pay an appropriate additional premium if required by Us with effect from the date of the alteration.
- (iii) We shall be entitled to impose appropriate additional terms, other than premium, with effect from the date of the alteration.

CANCELLATION

4. *Your Rights*

Within fourteen days of receipt of the policy documentation You may cancel this insurance by writing to the insurance intermediary who arranged the cover on your behalf or returning the policy direct to Us at the address shown confirming such cancellation. Provided there have been no claims and You know of no incidents which might lead to a claim We will refund Your premium in full.

After this fourteen day period has elapsed You may cancel the policy by giving thirty days' written notice to the insurance intermediary who arranged the cover or by writing to Us at the address shown confirming such cancellation. Provided there have been no claims We will refund a proportionate part of Your premium, subject to any minimum percentage of the premium as shown in the Schedule being retained by Us in respect of Section G.

Our Rights

We may cancel this insurance by sending thirty days notice of cancellation to Your insurance intermediary whereupon You shall become entitled to a refund of a proportionate part of the premium. For cancellation following default in payment of premium the period of notice may be reduced to seven days.

Notice shall be deemed to be duly received in the course of the post if sent by pre-paid letter post and properly addressed.

REASONABLE PRECAUTIONS

5. It is a condition precedent to Our liability under this Policy that You shall:-
- (a) maintain the Premises, machinery, plant and equipment in a good state of repair
 - (b) take all reasonable precautions for the safety of the property insured
 - (c) take all reasonable precautions to prevent Damage, accident or injury
 - (d) comply with all statutory requirements and other safety regulations imposed by any authority
 - (e) exercise care in the selection and supervision of employees
 - (f) take immediate steps to remedy any defect or danger that becomes apparent and take such additional precautions as individual circumstances require, whether of a temporary or permanent nature.

CHOICE OF LAW AND JURISDICTION

6. The laws of England and Wales shall be the law under which all disputes and/or conflicts under this insurance shall be governed and English courts shall have exclusive jurisdiction over any matter relating to this insurance.

CLAIMS CONDITIONS

7. (a) It is a condition precedent to Our liability under this policy that You shall:
- (i) advise Us within fourteen days of any Damage, accident or injury which may give rise to a claim
 - (ii) notify the police as soon as practicable of Damage caused by thieves or malicious persons or of any loss of money whatsoever
 - (iii) do and permit to be done all things reasonably practicable to minimise the Damage or to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss
 - (iv) as soon as practicable forward to Us unanswered any letter of claim, writ or summons and any other documentation relating to the claim issued against You by any third party or notice of any impending prosecution, inquest or Fatal Accident Inquiry
 - (v) at Your expense, submit to Us in writing full details of the claim together with any evidence and information including books of account or other business books or documents or such other proofs that We may reasonably require for the purpose of investigating or verifying the claim and (if demanded) a statutory declaration of the truth of the claim and any matter connected with it. This written confirmation is to be sent to Us within:
 - seven days of the occurrence in the case of Damage caused by theft or attempted theft, riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances or by malicious persons
 - thirty days of any other occurrence
 - thirty days of the end of the Indemnity Period in the case of claims for Business Interruption
 - (vi) not negotiate, pay, settle, admit or repudiate any claim

without Our written consent

- (b) We shall be entitled:
 - (i) following any Damage in respect of which a claim is made to enter, take or keep possession of the Premises where such Damage has occurred and to take possession of, or require to be delivered to Us, any property insured and deal with such property for all reasonable purposes and in a reasonable manner. Such steps as are taken pursuant to this Claims Condition 7(b) (i) shall be taken without prejudice to any rights which may have accrued to Us prior to that date nor shall such steps be deemed to be confirmation that the Policy responds to any claim. However, property may not be abandoned to Us whether we have taken possession of the property or not
 - (ii) at Our discretion to take over and conduct in Your name the defence or settlement of any claim and to prosecute at Our expense and for Our own benefit any claim for indemnity or damages against any other persons in respect of any event insured by this Policy and You shall give all information and assistance required at no cost to Us
 - (iii) at any time to pay the Limit of Indemnity, the Limit of Liability or the Sum Insured (after the deduction of any sum already paid) or any less amount for which a claim can be settled and shall relinquish the conduct and control of the claim and be under no further liability except for payment of costs or expenses incurred prior to the date of payment.
- (c) If the terms of Conditions 7(a) or 7(b) have not been complied with, and as a direct consequence, the amount for which We are liable under this Policy has increased, then no payment shall be made by Us in respect of the amount of such increase.
- (d) If We so request, any claimant under this policy shall at Our expense do or permit to be done anything We may reasonably require for the purposes of enforcing any rights and remedies or obtaining relief or indemnities from other parties to which We are or may become entitled, whether these actions are required before or after We agree to indemnity under this policy.
- (e) Arbitration:
If any difference should arise between You and Us as to the amount to be paid under this insurance (liability being otherwise admitted) such dispute shall be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions. Where any difference is to be referred to arbitration as permitted by this condition the making of an award shall be a condition precedent to any right of action against Us.
- (f) Under Insurance:
If at the time of any Damage the Sum Insured for any item(s) is less than the total value of the item(s), You shall be considered as being Your own insurer for the difference and shall bear a proportionate share of the loss accordingly.
- (g) Contribution:

If at the time of any occurrence which gives rise to a claim under this policy the Damage, legal costs, expenses or liability is covered in whole or in part by any other insurance or would be otherwise insured but for the existence of this policy, We shall only pay that amount which exceeds the maximum amount payable under such other insurance had this insurance not been effected.

Where a claim includes the defence of criminal proceedings brought or in appeal against conviction We will not pay any costs and expenses where cover is provided by any other insurance or where but for the existence of this Policy would have been provided by such insurance.

CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, 1999

8. A person or company who was not a party to this Policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Policy but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

INSURED'S COMPLIANCE

9. You shall at all times in addition to Your obligations set out in 7 above provide such information to and co-operate with Us or Our appointed agents to allow Us to be able to comply with all relevant statutory requirements or such relevant Practice Directions and Pre-Action Protocols as may be issued and approved from time to time by the Head of Civil Justice or comply with the requirements of official investigation pursuant to Statute or otherwise.

LONG TERM AGREEMENT CLAUSE

10. Where the Schedule shows that this General Condition is operative a discount has been allowed from the premium in consideration of You having undertaken to offer the renewal of this insurance at the same terms and conditions for the period stated and to pay the premium annually in advance provided that:
- (i) the Sum Insured may be adjusted at any time to correspond with any reduction or increase in:
 - (a) value if this insurance covers property Damage
 - (b) the Business if this insurance covers Business Interruption
 - (ii) this undertaking shall apply to any insurance or insurances issued by Us in place of this policy
 - (iii) the premium shall be subject to revision at any time following any alteration in physical hazard and/or increase in liabilities;
 - (iv) at any renewal date We may require revised terms or conditions and if You do not accept such terms or conditions the agreement set out in this Condition shall lapse;
 - (v) We shall be under no obligation to accept an offer made under this Condition.

SUBJECTIVITIES

11. It is a condition precedent to Our liability that You
- (i) provide Us by the required date(s) with any additional information requested
 - (ii) complete by the required date(s) any actions agreed between You and Us
 - (iii) allow Us to complete any actions agreed between You and Us.

If required by Us, You must allow Us access to the Premises, Your contract sites, and/or the Business to carry out survey(s) within 60 days of the inception or renewal date unless We agree otherwise in writing.

Upon completion of these requirements (or if they are not completed by the required dates), We may, at Our option:

- (i) modify Your premium,
- (ii) issue a mid-term amendment to Your policy or Section terms and conditions
- (iii) require You to make alterations to the Premises insured or to the Business by the required date(s)
- (iv) exercise Our right to cancel Your policy
- (v) leave the policy or Section terms and conditions and Your premium unaltered

We will contact You with Our decision and where applicable specify the date(s) by which:

- (i) any action(s) agreed must be completed by You and/or
- (ii) any decision by Us will take effect.

Our requirements and decisions will take effect from the date(s) specified unless and until We agree otherwise in writing. If You disagree with Our requirements and/or decisions, We will consider Your comments and where We consider appropriate, will continue to negotiate with You to resolve the matter to Your and Our satisfaction. In the event that the matter cannot be resolved

- (i) You have the right to cancel this policy from a date agreed by You and Us and providing no claims have been made We will refund a proportionate part of the premium paid for the unexpired period of cover.
- (ii) We may at Our option exercise Our right under General Condition 4 - Cancellation.

The above Condition does not affect Our right to void the policy as specified in Condition 2.

FINANCIAL OR TRADE SANCTIONS

12. We shall not provide coverage or be liable to provide any indemnity or payment or other benefit under this Policy if and to the extent that doing so would breach any prohibition or restriction imposed by law or regulation.

If any such prohibition or restriction takes effect during the Period of Insurance either You or Us may cancel that part of this Policy which is prohibited or restricted with immediate effect by giving written notice to the other at their last known registered address.

After such cancellation We shall subject to any applicable minimum premium payment requirements refund a proportionate amount of the premium for the unexpired Period of Insurance provided that

- (i) no circumstances that could reasonably be considered as being likely to give rise to a claim under the Policy have been notified to Us by You and
- (ii) no claims have been paid by Us or have accrued and are outstanding awaiting payment in respect of such claims prior to the date on which

such prohibition or restriction took effect

SEVERAL LIABILITY

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

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

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

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

FRAUD

14. If a claim is in any respect fraudulent or if any fraudulent means or devices be used by You or anyone appointed to act on Your behalf to obtain any benefit under this Policy or if any Damage, claim or loss is occasioned by the wilful act or connivance of You, We will:
- (a) have no liability to pay any part of or the whole of the fraudulent claim
 - (b) be entitled to refuse all claims arising after the fraudulent action
 - (c) remain liable for legitimate claims before the fraudulent action
 - (d) terminate the Policy from the date of the fraudulent action whether or not the Policy had expired before the discovery of the fraud.

GENERAL EXCLUSIONS

1 RADIOACTIVE CONTAMINATION AND EXPLOSIVE NUCLEAR ASSEMBLIES

This insurance does not cover

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

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

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

2 SONIC BANGS

This insurance does not cover Damage directly caused by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

3 WAR & SIMILAR RISKS

- (a) This insurance does not cover Damage or indemnity against any legal liability directly or indirectly occasioned by happening through or in consequence of war invasion act of foreign enemies hostilities or war like operations (whether war be declared or not) civil war mutiny civil commotion assuming the proportions of or amounting to popular rising military rising insurrection rebellion revolution military or usurped power martial law confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any Government or public or local authority.
- (b) This insurance also excludes Damage cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with any action taken in controlling preventing suppressing or in any way relating to 3 (a) above.

4 CYBER

This Policy does not cover legal liability arising from:

- A) any computer virus, malicious code or other malware which causes the malfunction of or prevents access by You or any external party to any computer system used in connection with Your Business;
- B) the onward transmission of any computer virus or other malware to any external party who uses Your website or has authorised connection to Your computer system;
- C) the denial of access or use by You or any authorised party to Your computer system;
- D) the content of Your website, email, intranet or extranet, including alterations or additions made by a hacker or any unauthorised external party;
- E) the failure of electronic, electromechanical data processing or electronically controlled equipment or electronic data, to correctly recognise any given date, or to process data, or to operate properly

- due to failure to recognise any given date due to inherent defect or computer virus, malicious code or other malware;
- F) actual or alleged infringement of any intellectual property rights, including any copyright, trademark, passing off or linking to or framing of another page;
 - G) defamation, libel, slander or malicious falsehood;
 - H) any breach, violation or infringement of any right to privacy, consumer data protection law, or other legal protection for personal data;
 - I) the unauthorised collection or misuse of any data concerning any customer or potential customer which is either confidential or subject to statutory restrictions on its use and which You obtained through the internet or extranet or website and hold in Your possession.

5 **TERRORISM**

Not applicable to Section G – Sub-Section 1 - Employers Liability.

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

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

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

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

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

6 **DATE RECOGNITION EXCLUSION**

This insurance shall not cover liability of whatsoever nature or any physical Damage or any consequential loss 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 belonging to You or not, to

- (a) correctly recognise any date as its true calendar date; or
- (b) 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; or

- (c) 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 caused the loss of data or information or command or instruction or the inability to capture, save, retain or correctly to process such data or information, command or instruction on or after any date; or
- (d) otherwise function correctly.

But this section shall not exclude:

- A. any ensuing physical Damage to property insured under Section A;
 - (i) resulting from a Defined Peril, and
 - (ii) which is not otherwise excluded;

nor

- B. any consequential loss, as covered under Section F of this insurance, which may arise from such ensuing physical Damage.

Provided that nothing in this or any other provision or extension of this insurance shall be construed to extend Our liability to cover any costs and expenses, whether preventative, remedial or otherwise arising out of or relating to change, alteration or modification of any computer system, hardware, program, or software or any microchip, integrated circuit or similar device in computer or non-computer equipment, whether Your property or not.

7 COMMUNICABLE DISEASE EXCLUSION
Not applicable to Section G – Sub-Section 1 - Employers Liability.

This Policy does not cover actual or alleged loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.

For the purposes of this endorsement, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test for a Communicable Disease.

As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- A) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- B) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- C) the disease, substance or agent can cause or threaten bodily injury, illness, emotional distress, damage to human health, human welfare or property damage.

SECTION A - MATERIAL DAMAGE

DEFINITIONS

Buildings

The Buildings at the Premises shown in the Schedule and including:

- (a) landlord's fixtures and fittings in or on the building
- (b) Outbuildings, extensions and annexes
- (c) telephone, gas, water, sewage and electrical instruments, meters, piping, cabling and the like and all accessories pertaining to them including similar property in adjoining yards or roadways or underground and relating to the Premises
- (d) concrete, paved or asphalt roads, yards, vehicle parks, pavements or paths
- (e) outdoor tennis courts and swimming pools
- (f) fixed glass, sanitaryware and signs
- (g) walls, gates and fences
- (h) street furniture

all Your property or for which You are responsible

Outbuildings

Any structure which does not incorporate permanent foundations below ground level and/or which is not capable of being properly secured

Computer Equipment

All computer hardware used in connection with the Business including laptops, peripherals, accessories and software

Other Contents

- (a) Machinery, plant, fixtures, fittings and other trade equipment
- (b) Tenants Improvements, being structural fixtures, fittings, alterations and decorations in or on the building
- (c) All office equipment (including Computer Equipment) and other contents
- (d) Documents, Manuscripts and Business Books for an amount not exceeding £25,000 in respect of any one occurrence but only for the value of the materials as stationery together with the cost of clerical labour expended in writing up and not for the value to You of the information they contain
- (e) Computer systems records for an amount not exceeding £25,000 in respect of any one claim but only for the value of the materials together with the cost of clerical labour and computer time expended in reproducing such records and not for the value to You of the information the records contain
- (f) Patterns, Models, Plans and Designs but only for the value of the materials together with the cost of labour expended in reinstatement and so far as the same are not otherwise insured
- (g) directors', partners', employees', visitors' and customers' personal effects, pedal cycles, tools and instruments to a maximum sum of £500 in respect of any one person.

Notwithstanding Exclusion 21 of this Section the Excess in respect of these items is £25 any one loss.

- (h) Wines, spirits, cigarettes and tobacco held for entertainment purposes for an amount not exceeding £250 any one claim.
- (i) To the extent that they are not otherwise insured motor vehicles and motor chassis and their contents

All belonging to You or for which You are responsible but excluding any property which is more specifically insured.

COVER

In the event of accidental Damage to the property insured described in the Schedule which occurs at the Premises during the Period of Insurance by any accidental cause not otherwise excluded We will pay You the value of the property at the time of Damage or the amount of the Damage or, at Our option, replace or reinstate the property.

Provided that Our liability in any one Period of Insurance shall not exceed in respect of any one item its Sum Insured or in the whole the Total Sum Insured or any other stated Limit of Liability.

CLAIMS SETTLEMENTS

DAY ONE BASIS:

N.B. The provisions of this clause do not apply to directors', partners', employees', visitors' or customers' personal effects, pedal cycles, tools and instruments.

In the event of the property insured under each item of the Schedule on Buildings and Other Contents being the subject of Damage giving rise to Our liability under this section the basis upon which Our liability in respect of each of the said items is to be calculated shall be the Reinstatement of the property which has been the subject of Damage.

For the purposes of this clause:

"Declared Value" means:

Your assessment of the cost of reinstatement of the property insured, arrived at in accordance with paragraph (a) of the Reinstatement definition (see below) at the level of costs applying at the inception of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with, insofar as the insurance by the item provides, due allowance for:

- (a) the additional cost of reinstatement to comply with Local Authority requirements;
- (b) professional fees;
- (c) debris removal costs.

"Reinstatement" means:

- (a) in the case of destruction, the rebuilding of or replacement by similar property, in either case in a condition equal to but not better or more extensive than its condition when new;

- (b) where property is damaged, the repair of the damage or 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.

SPECIAL PROVISIONS

- 1 The Declared Value for each item is as stated on the Schedule. At the inception of each Period of Insurance You shall notify Us of the Declared Value of the property insured by each of the said items. In the absence of a declaration the last amount declared by You shall be taken as the Declared Value for the ensuing Period of Insurance (suitably adjusted for Index Linking where appropriate).
- 2 No payment shall be made beyond the value of the property insured at the time of Damage
 - (a) until the cost of Reinstatement has actually been incurred
 - (b) unless Reinstatement (which, subject to Our liability not being thereby increased, may be carried out upon another site and in any manner suitable to Your requirements) commences and proceeds without unreasonable delay
 - (c) if at the time of its Damage the property shall be insured by any other insurance effected by or on Your behalf which is not upon the same basis of Reinstatement
- 3 When any property insured is damaged in part only, Our liability shall not exceed the sum We could have been called upon to pay for reinstatement if such property had been wholly destroyed.
- 4 In respect of each item to which this clause applies, General Condition 7(f) – Underinsurance – is amended to read:

If at the time of loss the Declared Value of the property covered by such item is less than the cost of reinstatement at the inception of the Period of Insurance, then Our liability shall be proportionately reduced.
- 5 Where by reason of any of the above special provisions no payment is to be made beyond the amount which would have been payable under this Section if this clause had not been incorporated herein, Your and Our rights and liabilities in respect of the Damage shall be subject to the terms and conditions of this Section including General Condition 7 (f), as if this clause had not been incorporated herein except that the Sums Insured shall be limited to 115% of the Declared Values as stated on the Schedule.
6. In the event of loss Our liability in respect of each item to which this clause applies shall not exceed its Sum Insured. The Sum Insured applicable to each item to which this clause applies is calculated by applying a 15% uplift to the Declared Value as stated in the Schedule (unless a different uplift is specified in the Schedule).

EXTENSIONS

(These Extensions apply to your policy automatically)

1 GLASS

We will pay for:

- (a) the cost of repair or replacement of lettering, alarm foil or other ornamentation work on glass provided that Our liability for any one occurrence shall not exceed £500
- (b) the reasonable costs of
 - (i) boarding up and temporary glazing pending replacement of broken glass
 - (ii) removing and re-fixing window fittings and other obstacles to replacing broken fixed glass.

2 LOCAL AUTHORITIES

The insurance in respect of Buildings and machinery and plant extends to include such additional cost of reinstatement of the insured property which has been the subject of Damage as may be incurred solely by reason of the necessity to comply with Building Regulations or local authority or other statutory requirements. Provided that:-

- 1 The amount recoverable under this Extension shall not include:-
 - (a) the cost incurred in complying with any of the aforesaid regulations or requirements
 - (i) in respect of Damage occurring prior to the granting of this Extension;
 - (ii) in respect of Damage not insured by this Section;
 - (iii) under which notice has been served upon You prior to the happening of the Damage
 - (iv) in respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from the insurance by this Material Damage Section) of that portion of the property destroyed or damaged;
 - (b) the additional cost that would have been required to make good the property which has been the subject of Damage to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Regulations or requirements not arisen
 - (c) the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the Regulations or requirements referred to.
- 2 The work of reinstatement must be commenced and carried out within a reasonable period and in any case must be completed within twelve months after the Damage or within such further time as We may (during the said twelve months) agree in writing and may be carried out wholly or partially upon another site (if the aforesaid Regulations or requirements so necessitate) subject to Our liability under this Extension not being thereby increased.
- 3 If Our liability under any item of the Schedule apart from this Extension shall be reduced by the application of any of the terms and

conditions of this Section, then Our liability under this Extension in respect of any such item shall be reduced in like proportion.

- 4 The total amount recoverable under this section for any property insured shall not exceed the Sum Insured shown against that item.

3 TEMPORARY REMOVAL

- 1 The property insured by this Section (other than Stock in Trade) is covered whilst temporarily removed from the Premises at which it is usually located or whilst in transit by land or inland waterway to any other premises in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man for cleaning, renovation, repair or other similar purposes.

Provided that Our liability in respect of any Damage occurring elsewhere than at any of the Premises stated in the Schedule shall not exceed 10% of the Sum Insured by the item under which cover normally applies after deducting therefrom the value of any Buildings (exclusive of fixtures and fittings) or Stock in Trade insured thereby.

This extension does not apply to property which is otherwise insured nor in respect of Damage occurring elsewhere than at the Premises from which the property is temporarily removed to:-

- (a) motor vehicles and motor chassis licensed for normal road use;
 - (b) property held by You in trust other than machinery and plant.
- 2 Computer systems records, deeds and other documents (including stamps thereon) manuscripts, plans and writings of every description and books (written and printed) insured by this Section are covered whilst temporarily removed to any premises not in Your occupation and whilst in transit by land or inland waterway all in Great Britain, Northern Ireland, the Channel Islands, and the Isle of Man.

Provided that Our liability in respect of any Damage to such property shall not exceed 10% of its value.

4 ARCHITECTS', SURVEYORS' AND CONSULTANTS' FEES

The Sum Insured by each item of the Schedule for Buildings and machinery includes an amount in respect of Architects', Surveyors', Consulting Engineers', Legal and Other Fees necessarily and reasonably incurred in the reinstatement of the property insured consequent upon its Damage as insured by this Section but not for preparing any claim.

Provided that Our total liability for such Damage and fees shall not exceed in the aggregate the Sum Insured by each item.

5 DEBRIS REMOVAL

The insurance of the property insured (other than Loss of Rent, if insured) extends to include costs and expenses necessarily incurred by You with Our consent in:

- a) removing debris
- b) the clearing of drains and sewers providing services to or from the Buildings and for which You are responsible
- c) dismantling and/or demolishing
- d) shoring up or propping

of the portion or portions of the property insured that have sustained Damage insured by this Section.

Provided that

- i) We will only pay such costs following Damage which is insured by this Section
- ii) in respect of Damage to property insured comprising roads, yards, vehicle parks, pavements, gardens and the like Our liability in respect of any one occurrence shall not exceed
 - (1) 10% of the Sum Insured for Buildings or
 - (2) £100,000whichever is less
- iii) in respect of premises leased or rented by You to others cover includes the property of others not owned by You but for which You are responsible up to an amount not exceeding £25,000 for any one occurrence
- iv) We will not pay for any costs or expenses
 - (1) incurred in removing debris elsewhere than from the site of such property which has been the subject of Damage and the area immediately adjacent to such site
 - (2) in respect of drains and sewers beyond a half mile radius of the site of the insured property
 - (3) arising from Damage to property not insured by this insurance
- v) Our liability under this Extension shall in no case exceed the Sum Insured or Declared Value (whichever is lower) in respect of that item

6 TRANSFER OF INTEREST

If at the time of Damage to any Building insured under this Section, You shall have contracted to sell Your interest in such Building and the purchase shall not have been but shall be subsequently completed, on the completion of the purchase the purchaser shall be entitled to the benefit of this insurance up to the date of completion so far as it relates to such Damage.

Provided that

- i) the property is not otherwise insured by or on behalf of the purchaser against such Damage
- ii) this Extension shall not prejudice the rights and liabilities of You or Us under this Section.

7 WORKMEN

Any trades person(s), company, firm or organisation may be allowed on the Premises and instructed by You to effect repairs and minor structural alterations in all or any of the Buildings without prejudice to this insurance.

8 AUTOMATIC REINSTATEMENT OF SUM INSURED

In consideration of the insurance not being reduced by the amount of any Damage You shall pay the appropriate extra premium on the amount of the Damage from the date of the Damage to the date of the expiry of the Period of Insurance.

9 CAPITAL ADDITIONS

This Section extends to cover the following property situated anywhere in Great Britain, Northern Ireland, the Channel Islands and the Isle of Man:-

- (a) any newly erected and/or newly acquired Building and/or machinery; and
- (b) alterations, additions and improvements to Buildings and/or machinery but not in respect of any appreciation in value;

Provided that:

- 1 Our maximum liability at any one situation shall not exceed :-
 - (a) 10% of the total Buildings and Other Contents Sums Insured by this Section, or
 - (b) £250,000whichever is the lower.
- 2 You provide particulars of any property in respect of which this extension is sought as soon as practicable and, in any event, at intervals of not more than 6 months and to effect specific insurance thereon retrospective to the date of the commencement of Your responsibility.

10 MACHINERY RE-ERECTION COSTS

The insurance on Other Contents by this Section extends to include the cost of re-erection and of fixing of machinery and plant in consequence of Damage insured by this Section. Provided that Our liability in respect of any Damage shall not exceed the Sum Insured in respect of Other Contents.

11 CONTRACT SALE PRICE

Where You have agreed the sale of but not delivered goods and as a result of Damage the sale is cancelled under the terms of the sale contract, either wholly or to the extent of the Damage, Our liability will be based on the Contract Price. Provided that We shall not pay more than the Sum Insured shown against Stock in Trade in the Schedule.

12 ACCIDENTAL DISCHARGE OF GAS SYSTEMS

In the event of accidental discharge of any gas flooding system installed solely for the protection of the property insured We will pay the cost of re-filling the cylinder(s) of the system. Provided that Our maximum liability for any one occurrence shall not exceed £5,000.

13 EMERGENCY SERVICES

We will pay costs and expenses You incur to restore or repair grounds, landscaped gardens, pavements, road surfaces and any other property comprising the Premises damaged by the emergency services attending as a result of insured Damage to the Premises. Provided that Our maximum liability shall not exceed £5,000.

14 FIRE BRIGADE

We will pay the costs charged by the Fire Brigade directly relating to the extinguishing or fighting of fire at the Premises.

15 THEFT DAMAGE TO BUILDINGS

We will pay for Damage to Buildings for which You are responsible caused in the furtherance of theft or attempted theft. Provided that such Damage is not covered by any other insurance.

16 LOSS AVOIDANCE

We will indemnify You for costs You incur in taking reasonable but exceptional measures to avoid or mitigate impending Damage which would otherwise have resulted in a claim under this insurance. Provided that:

- (a) the impending Damage did not stem from any reasonably foreseeable cause
- (b) indemnity under this insurance would have been a natural outcome to be expected in the absence of such measures
- (c) We are satisfied that the Damage has been avoided or reduced in consequence of the measures taken
- (d) the terms, conditions and exclusions of this insurance shall apply as if Damage had occurred
- (e) the amount payable by Us shall be no greater than the cost that would have been incurred had the measures not been taken and Damage had occurred
- (f) Our liability is limited to £100,000 any one occurrence or series of events arising out of one occurrence

17 TRACE AND ACCESS

In the event of Damage resulting from escape of water or oil as insured by this insurance We will pay all costs necessarily and reasonably incurred in locating the source of such Damage and making good.

Provided that Our liability is limited to £10,000 any one occurrence or series of events arising out of one occurrence.

18 CHANGING LOCKS

This insurance extends to cover the cost of changing locks at the Premises following the loss of keys during the Period of Insurance by:-

- (a) theft or any attempt thereat from the Premises or from Your home or that of an authorised director, partner or employee;
- (b) robbery whilst such keys are in Your personal custody or that of an authorised director, partner or employee;

Provided that:

- i) if such keys relate to a safe they shall not be left on the Premises overnight unless the Premises are occupied by You or an authorised employee in which case they shall be deposited in a secure place not in the vicinity of the safe.
- ii) Our liability is limited to £500 in respect of any one loss.

19 ADDITIONAL METERED WATER CHARGES

The insurance by this Section extends to include additional metered water charges incurred by You and for which You are responsible as a result of Damage to the water installation at the Premises.

Provided that:

- i) The amount payable shall be ascertained by comparing the charge made by the water authority on their account for the period during which the loss of metered water occurred with the charges for the previous period adjusted for any relevant factors affecting Your normal consumption of water during the periods concerned

- ii) Damage in respect of any Building which is unoccupied is excluded
- iii) Our maximum liability under this Extension shall not exceed £10,000 in the aggregate during any one Period of Insurance
- iv) You shall take all practical steps to remedy the Damage to the installation as soon as it is discovered

20 EXTINGUISHMENT EXPENSES

We will pay the reasonable costs You incur for refilling fire extinguishment appliances and replacing used sprinkler heads but excluding

- (a) costs other than as a direct result of Damage caused by a Defined Peril
- (b) any amount in excess of £5,000

21 TEMPORARY REPAIRS

We will pay the reasonable and necessary costs You incur (with Our consent) in making temporary repairs and erecting temporary buildings and/or contents following Damage subject to a limit of £25,000

22 EXHIBITIONS

This insurance extends to cover Damage to

- (a) Other Contents, and
- (b) Stock in Trade

whilst at exhibitions within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, including whilst in direct transit between Your Premises and the Exhibition site.

Provided that Our liability shall not exceed £5,000 in respect of any one exhibition.

23 COLLUSION

We will indemnify You in the event of Damage by theft caused during the Period of Insurance by or in collusion with any director, partner or employee of the Insured and discovered within fourteen days. Provided that We shall not be liable unless such Damage is accompanied by visible evidence of forcible and violent entry to or exit from the Premises.

OPTIONAL EXTENSIONS

(Only applicable if specified in the Schedule)

AE01 ALTERNATIVE ACCOMMODATION

We will pay for

- (a) the cost of reasonable alternative accommodation incurred by any owner or lessee if they permanently reside in that part of the residential Premises that is unfit to live in or to which access is prevented
- (b) temporary storage of Your furniture
- (c) any ground rent which continues to be payable if the property is leasehold

while the residential Premises are unfit to live in or access is prevented as a result of Damage insured by this Section. Our maximum liability under this Extension will not exceed the Sum Insured shown in the Schedule but in respect of each residential unit the payment may be adjusted according to the percentage contribution made by each unit towards the ground rent and/or total management charges of the residential Premises

AE02 LOCAL AUTHORITIES (UNDAMAGED PROPERTIES EXTENSION)

Notwithstanding paragraph 1 (a) (iv) of the Local Authorities Extension (See Extension 2) the insurance by each item of the Schedule covering Buildings and/or machinery and plant extends to include the additional cost of reinstatement as described in that Extension in respect of undamaged portions of property. Provided that

- (a) We shall not be liable for such additional cost in respect of any Building or machinery or plant which has not sustained Damage insured by this Section
- (b) the amount recoverable shall not exceed:
 - (i) in respect of undamaged portions of property other than foundations, 15% of the total amount for which We would have been liable had the building or machinery been totally destroyed,
 - (ii) in respect of any item of this Section the Sum Insured thereby;
- (c) all the conditions of the Local Authorities Extension shall apply except insofar as they are hereby expressly varied.

CONDITIONS

(The following Conditions apply to all policies)

1 NOTICE OF OCCUPANCY

It is a condition precedent to Our liability that You tell Us immediately when any of the Buildings becomes unoccupied or when any unoccupied portion of such Buildings becomes occupied. We will adjust the premium if necessary based on the new circumstances.

2 DESIGNATION OF PROPERTY

For the purpose of determining where necessary the item under which property is insured, We agree to accept the designation under which such property has been entered in Your books.

3 FIRE EXTINGUISHING APPLIANCES

It is a condition precedent to Our liability that fire extinguishing appliances shall be maintained in efficient working order throughout the Period of Insurance. This insurance shall not be prejudiced or invalidated by any defect in the said appliances due to any circumstances unknown to You or beyond Your control.

4 AUTOMATIC SPRINKLER SYSTEMS

It is a condition precedent to Our liability that in respect of any installation or installations of Automatic Sprinklers:

1. You will maintain such installation in good working order
2. You undertake to:-
 - i) Make a test every week for the purpose of ascertaining that the Alarm Bell or Siren is in working order and that Stop Valves controlling the individual water supplies and the installation are fully open;
 - ii) Make half-yearly tests for the purpose of ascertaining that each water supply is in order, and record the particulars of each test;
 - iii) Make a test every weekday (HOLIDAYS excepted) of
 - (a) the Fire Brigade connection,
 - (b) the circuit between the alarm switch and the control unit and
 - (c) the batteries in respect of each approved system for the transmission of alarm signals from sprinkler installations to a Fire Brigade.

Note 1: It is permissible for test (a) to be carried out by the Fire Brigade if they are prepared to give a written undertaking to perform the duty.

Note 2: Where the circuits in (a) and (b) are continuously monitored tests need only to be made once per week.

- iv) Remedy promptly any defect revealed by such tests;
- v) Notify Us before any installation is rendered inoperative or immediately in the event of any emergency.
- vi) Allow Us access to the Premises at all reasonable times for the purpose of inspecting the sprinkler installation.

- vii) take all reasonable steps to prevent frost and other Damage to the installations

This insurance will not be prejudiced by any defect in the Automatic Sprinklers due to any circumstances unknown to You or beyond Your control.

5 RENT

If cover for Rent is included under this Section cover applies only if the Buildings or any part thereof is unfit for occupation in consequence of Damage for which We have accepted liability under this Section. Provided that Our liability shall not exceed such proportion of the Sum Insured on Rent as the period necessary for reinstatement bears to the term of Rent insured.

6 APPLICATION OF UNDERINSURANCE CONDITION

The Sum Insured under each Item shown on the Schedule is separately subject to General Condition 7(f).

7 NON-INVALIDATION

The insurance of this Section shall not be invalidated by any act, error, omission or alteration unknown to You or beyond Your control whether the risk of Damage is increased or otherwise. Provided that You inform Us immediately You become aware of the act, error, omission or alteration and pay an additional premium if required.

8 SUBROGATION WAIVER

In the event of a claim arising under this Section We agree to waive any rights, remedies or relief to which We might have become entitled by subrogation against:-

1. any company standing in the relation of Parent to Subsidiary (Subsidiary to Parent) to You or any company which is a Subsidiary of a Parent Company of which You are Yourselves a Subsidiary in each case within the meaning of the Companies Act or the Companies (N.I.) Order as appropriate current at the time of Damage.
2. any tenant.
Provided that
 - (i) the Damage did not result from a criminal fraudulent or malicious act of the tenant
 - (ii) the tenant contributes to the cost of insuring Your property insured against the event which caused the Damage

9 PROTECTIONS

It is a condition precedent to Our liability that whenever the Premises are closed for business or left unattended all security devices provided to protect the Premises are properly fitted and put into full operation.

10 OTHER INTERESTS

We will automatically cover the interests of any third parties You are required to include in this insurance in consequence of any mortgage, hiring, leasing or similar agreement. Provided that You shall advise Us of the name of any interested party and the nature and extent of their interest in the event of Damage.

11 BRAND OR TRADEMARK

In the case of Damage to property bearing a brand or trademark which in any way carries or implies the guarantee or the responsibility of the manufacturers or You, the salvage value of such property which has been the subject of Damage shall be determined after removal in the customary manner of all such brands or trademarks or other identifying characteristics or withdrawal of guarantees or implied responsibilities.

12 MINIMUM STANDARDS OF SECURITY

It is a condition precedent to Our liability that the following security measures are in place at the Premises unless otherwise agreed by Us

- (i) The final exit door of the Premises must be secured with one of the following
 - (a) a mortice deadlock which has 5 or more levers and/or conforms to British Standard BS3621 for timber or steel framed doors
 - (b) a cylinder operated mortice deadlock or deadlocking multipoint locking system with a minimum of three locking points for aluminium or UPVC framed doors
 - (c) a close shackle padlock with a minimum shackle thickness of 10mm together with the manufacturer's corresponding locking bar irrespective of the door construction.
- (ii) All external doors and all internal doors giving access to any part of the Buildings not occupied by You for the purpose of the Business must be secured with either
 - (a) any of the locking arrangements specified in (i) above according to the construction of the doors, or
 - (b) two key operated security bolts for doors fitted internally one fitted near the top and the other near the bottom of the door.
- (iii) Where any of the doors described in (i) or (ii) above are of double leaf construction
 - (a) the first closing leaf must be secured with two key operated security bolts fitted internally and shooting vertically one at the top and the other at the bottom of the door, and
 - (b) the final closing leaf must be secured with either
 - (1) any of the locking arrangements specified in (i) above according to the construction of the doors, or
 - (2) two key operated security bolts fitted internally and shooting vertically one at the top and the other at the bottom of the door.
- (iv) All ground floor and basement opening windows/skylights and readily accessible opening windows/skylights on other floors (see below) must be secured with either key operated locking devices or other locking

devices which rely upon a removable component for their security.

Readily accessible opening windows/skylights are those that can be reached from the ground without the use of a ladder or via extension balconies, downpipes, external staircases and fire escapes, canopies, outbuildings, garages, walls, nearby trees or roofs, adjoining or next door premises.

This requirement does not apply to windows/skylights which are protected by solid steel bars, grilles, locked gates, shutters, expanded metal or weld mesh.

Any door or window designated as a fire exit following a fire risk assessment is excluded from these requirements. Fire exit doors and windows must be secured by means of a device suitable for use in emergency escape situations whenever that part of the Premises is left unattended.

EXCLUSIONS

We will not pay in respect of:

- 1 Damage caused by the bursting of any boiler, economiser or other vessel machine or apparatus belonging to You or under Your control in which internal pressure is due to steam only but this shall not exclude
 - (i) Damage caused by explosion of any boiler used for domestic purposes only
 - (ii) subsequent Damage itself resulting from a cause not otherwise excluded.
- 2 Damage attributable solely to change in the water table level
- 3 Damage caused by or consisting of
 - (a) wear and tear; frost; wet or dry rot; dampness or dryness; or any other gradually operating cause;
 - (b) corrosion; rust; shrinkage; evaporation; loss of weight; marring; scratching;
 - (c) change in:
 - (i) temperature
 - (ii) colour
 - (iii) texture, or
 - (iv) finish
 - (d)
 - (i) moth
 - (ii) vermin
 - (iii) insects
 - (iv) fungal attack, or
 - (v) mouldhowever caused;
 - (e) inherent vice; latent defect; faulty or defective design or materials

- (f) faulty or defective workmanship; operational error or omission on Your part or the part of any of Your employees;
 - (g) 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;
 - (h) mechanical or electrical breakdown or derangement
- but this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded.
- 4 Damage caused by any kind of seepage or any kind of pollution and/or contamination but this shall not exclude Damage to the property insured specified in the Schedule caused by
- (a) pollution or contamination which itself results from a Defined Peril
 - (b) a Defined Peril which itself results from pollution or contamination
- 5 Damage by storm, wind, rain, hail, sleet, snow, flood or dust to movable property in the open, gates, fences or posts unless caused by falling trees or there is Damage to structural parts of the Buildings at the same time
- 6 Theft or attempted theft which does not involve either
- (a) entry to or exit from the Premises by forcible and violent means, or
 - (b) actual or threatened assault or violence
- 7 Theft or attempted theft from any part of the Buildings not occupied by You for the purposes of the Business.
- 8 Damage caused by or consisting of acts of fraud, dishonesty or deception other than by theft by or in collusion with Your directors, partners or employees as provided for by Extension 23 of this Section.
- 9 Damage to property in transit other than whilst at the Premises or in the circumstances provided for by the following Extensions
- Extension 3 – Temporary Removal
- Extension 22 – Exhibitions
- 10 Damage to money and securities of any description
- 11 Damage caused by subsidence landslip or ground heave
- (a) to yards, car parks, roads, pavements, street furniture, outdoor swimming pools, outdoor tennis courts, walls, gates and fences unless also affecting the Buildings
 - (b) caused by or consisting of
 - (i) the normal settlement or bedding down of new structures
 - (ii) the settlement or movement of made up ground
 - (iii) coastal or river erosion
 - (c) resulting from

- (i) demolition, construction, structural alteration or repair of any property
 - (ii) groundworks or excavation
 - at the same premises
 - (d) which originated prior to the inception of this cover
- 12 Damage caused by or consisting of disappearance, unexplained or inventory shortage, misfiling or misplacing of information.
- 13 Damage to a building or structure caused by its own collapse or cracking.
- 14 Damage to property resulting from its undergoing any process of production, packing, treatment, testing, commissioning, servicing, alteration, cleaning or repair.
- 15 Damage to fixed glass or sanitaryware:
- (i) occurring during installation or removal, or
 - (ii) which was cracked or fractured prior to inception of this insurance, or
 - (iii) occurring whilst the Premises are empty or unoccupied unless specifically agreed
- 16 Damage by fire to property caused by its undergoing any process involving the application of heat.
- 17 Damage to property or structures in course of construction or erection and materials or supplies in connection with all such property in the course of construction or erection.
- 18 The cost of maintenance or routine alteration or decoration.
- 19 Delay; loss of market; or any form of consequential loss, other than loss of rent when such loss is specifically included
- 20 Damage to:
- (a) livestock; growing crops; or trees
 - (b) vehicles licensed for road use; caravans; trailers; railway locomotives; rolling stock; watercraft or aircraft
 - (c) piers; jetties; bridges; culverts; or excavations
 - (d) property more specifically insured
 - (e) property which is or but for the existence of this policy would be insured under a marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this policy not been effected.
- 21 The amount of the Excess specified in the Schedule
- 22 Damage caused by any of the following whilst any of the Buildings is empty or not in use:
- (a) Riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons
 - (b) Escape of water from any tank, apparatus or pipe
- 23 Theft or attempted theft occasioned by use of a key, key code or key card

SECTION B - MONEY AND ASSAULT

SUB-SECTION 1 MONEY

DEFINITIONS

Money

Coin; bank and currency notes; postal and money orders; bankers' drafts; cheques; giro cheques; crossed warrants; bills of exchange; securities for money; postage revenue; national insurance and holiday with pay stamps; stamped national insurance and holiday with pay cards; national savings stamps or certificates; war bonds; premium savings bonds; franking machine impressions other than unused units in postage stamp franking machines; luncheon vouchers; trading stamps; and phone cards Your property or for which You are responsible in the course of the Business.

Non Negotiable Documents

Crossed cheques; crossed Girocheques; crossed postal or money orders; crossed bankers' drafts; credit company sales vouchers; VAT invoices; and unused units in postage stamp franking machines, Your property or for which You are responsible in the course of the Business.

Business Hours

Your usual office hours and the working hours (including overtime) during which You, Your directors, partners or employees entrusted with Money and Non Negotiable Documents are on the Premises for the purpose of the Business.

In Transit

In transit in Your personal custody, or the custody of Your authorised directors, partners or employees or collectors or of a specialist security organisation, or by post where You have retained proof of posting.

COVER

We will indemnify You up to the Limits and Sum Insured stated in the Schedule or shown under item 3) below, against

- 1) Loss of Non Negotiable Documents from any cause
- 2) Loss of Money from any cause whilst
 - (a) in the Premises outside Business Hours not contained in locked safes or strongrooms
 - (b) in Your private residence or that of Your authorised directors, partners or employees or collectors
 - (c) in the Premises outside Business Hours contained in locked safes or strongrooms as notified to and agreed by Us
 - (d) in the Premises during Business Hours
 - (e) whilst In Transit or in a bank night safe
- 3) Damage by thieves to safes and strongrooms; stamp franking machines; and approved security cases, bags or waistcoats containing the Money and Non Negotiable Documents insured hereby. Our liability in respect of such Damage shall not exceed £2,500.

occurring during the Period of Insurance

SUB SECTION 1 EXTENSION

1. EMPLOYEES EFFECTS

We will pay up to £500 in respect of Your clothing and personal possessions or those belonging to any director, partner or employee in the event of Damage caused as a result of theft or attempted theft of Money.

SUB SECTION 1 CONDITIONS

1. RECORD KEEPING

It is a condition precedent to Our liability that

- (a) You keep a complete, accurate and up-to-date record of the Money and Non Negotiable Documents; and
- (b) You deposit such record in a secure place other than in the safes and strongrooms containing the Money and Non Negotiable Documents;

2. KEYS

It is a condition precedent to Our liability that outside Business Hours the safes and strongrooms must be kept locked and the keys of the safes and strongrooms removed from the Premises.

3. TRANSIT

It is a condition precedent to Our liability that when Money in excess of £3,000 is In Transit it shall be escorted as follows:-

Amount In Transit	Minimum Escort
£3,001 to £6,000	Two able bodied persons (including carrier)
£6,001 to £10,000	Three able bodied persons (including carrier)
£10,001 and over	Specialist Security Company

4. PROTECTIONS

It is a condition precedent to Our liability that whenever the Premises are closed for business or left unattended all security devices provided to protect the Premises are properly fitted and put into full operation.

SUB SECTION 1 EXCLUSIONS

We will not pay in respect of:

1. Shortages due to clerical or accounting errors.
2. Loss due to the fraud or dishonesty of any of Your directors, partners or employees which is
 - (a) not discovered within fourteen working days of the incident;
 - (b) more specifically insured by any other insurance or insurances except in respect of any loss beyond the amount payable under such other insurance or insurances.
3. Loss of Money and or Non Negotiable Documents from:-
 - (a) vending or gaming machines unless specifically stated in the Schedule;
 - (b) an Unattended Vehicle

4. Damage arising elsewhere than in Great Britain, Northern Ireland, the Channel Islands, the Isle of Man or (in relation only to the Business operating from within the United Kingdom) the Republic of Ireland.
5. Unexplained loss or disappearance.
6. Loss arising from the use of any counterfeit, false or fraudulent payment which you are unable to collect or recover for any reason.

SUB-SECTION 2 ASSAULT

DEFINITIONS

Medical Expenses

Expenses reasonably and necessarily incurred in respect of the Person Insured for medical, hospital, surgical, manipulative, massage, therapeutic, X-ray or nursing treatment, including the cost of medical supplies and ambulance hire.

Territorial Limits

Great Britain, Northern Ireland, the Channel Islands, the Isle of Man or (in relation only to the Business operating from within the United Kingdom) the Republic of Ireland.

Person Insured

You or Your directors, partners or employees aged not less than 16 years nor more than 70 years.

Permanent

means lasting 24 calendar months and at the expiry of that period being beyond hope of improvement.

Total Disablement

means disablement which necessarily and continuously disables a Person Insured from attending to his or her usual occupation.

COVER

If in connection with the Business the Person Insured suffers an assault within the Territorial Limits during the Period of Insurance and which independently of any other cause is the sole cause of Results (a) - (f) specified below We will pay:

- 1 compensation as detailed on the Schedule to You or Your legal representative, or at Your request the Person Insured or their legal representative, for any of the Results specified below.
- 2 Medical Expenses You or the Person Insured incurs as a direct consequence of the assault.

Result(s)

- (a) Death
- (b) Total and Permanent loss of all sight in one or both eyes.
- (c) Total loss by physical severance of a hand at or above the wrist or of a foot at or above the ankle or total and Permanent loss of use of one or both hands or feet.
- (d) Permanent Total Disablement other than shown in b) and c) above.

- (e) Damage to clothing and personal effects belonging to the Person Insured.
- (f) Temporary Total Disablement.

COMPENSATION CLAUSES

- 1 We will pay compensation for Result (f) Temporary Total Disablement:-
 - (a) for a period not exceeding 104 weeks from the commencement of the Result;
 - (b) when the total amount has been agreed or at Your request at intervals of not less than four weeks (but not in advance) commencing four weeks after We receive written notice of any injury.
- 2 We will not pay compensation for:-
 - (a) any of the Results (a) to (d) and (f) nor for any related Medical Expenses unless such Result(s) occur within two years of occurrence of the injury which causes such Result(s);
 - (b) more than one of Result(s) (a) to (d) and when one of those Results is payable We will not pay for any of the Result(s) caused by any subsequent injury to such Person Insured.
- 3 If We pay compensation for Result (f) the amount We have paid will be deducted from any compensation payable for Result(s) (a) to (d) arising from the same assault.

SUB SECTION 2 CONDITIONS

- 1 In the event of death We shall be entitled to have a post-mortem examination at Our expense.
- 2 In the event of disablement the Person Insured must immediately place him or herself under the care of a qualified medical practitioner and submit to medical examination at Our expense as often as We may reasonably require.
- 3 All certificates information and evidence We require shall be furnished at the expense of the claimant under this Section and shall be in the form and of such nature as We shall prescribe.

SECTION C - GOODS IN TRANSIT

DEFINITIONS

In Transit

- (a) On Your Vehicles from the point of lifting including during loading and unloading and for up to 72 hours whilst temporarily housed on or off the Vehicles in the normal course of transit to final siting by Your employees, but excluding installation.
- (b) In the custody of Road Hauliers until
 - (i) delivered to the consignee's premises and receipt acknowledged, or
 - (ii) in the case of return consignments, receipt at Your premises
- (c) By post, parcel post or rail or other methods of despatch

Territorial Limits

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

Vehicle

Any motor vehicle owned by You or in Your custody or control, including any trailer or container attached to the motor vehicle for the purpose of conveying goods in connection with the Business.

COVER

We will pay if, during the Period of Insurance, Stock, goods intended for sale or returned goods (including in each case packing materials but excluding containers), documents, tools, machinery and plant, all Your property or for which You are responsible, is accidentally the subject of Damage whilst In Transit between addresses within the Territorial Limits. Provided that Our liability shall not exceed the amount shown in the Schedule in respect of any one load.

EXTENSIONS

1 SHEETS, TARPAULINS, ROPES ETC

In the event of accidental Damage to Your sheets, tarpaulins, ropes, toggles, chocks, chains, skips and trolleys whilst carried in the course of transit on any Vehicle We will pay up to an amount not exceeding £1,000 for any one loss.

2 DRIVERS PERSONAL EFFECTS

We will pay following accidental Damage to the personal property of the driver and/or mate whilst carried in any Vehicle which is conveying insured goods In Transit up to an amount not exceeding £250 for any one person.

3 RELOADING OR TRANSFER & DEBRIS REMOVAL

We will pay the reasonable additional costs necessarily incurred and for which You are responsible:

- (a) to transfer the goods to an alternative Vehicle and complete transportation to the intended destination(s) if Your Vehicle on which goods are being carried is disabled as a result of fire, overturning or collision, or
- (b) to reload goods onto the Vehicle if the load is shed following overturning or collision or there is dangerous movement of the load during the course of transit
- (c) in removal of debris and site clearance following Damage to goods In Transit

Provided that Our liability for all such costs shall not exceed £2,500 in aggregate in respect of any one claim.

CONDITIONS

1 UNDERINSURANCE

This section is subject to the General Condition 7(f) - Underinsurance.

2 PROTECTIONS

It is a condition precedent to Our liability that all protective devices fitted to or used in the security of the Vehicles or their contents shall be maintained in good order and such devices shall be used at all times and shall not be varied or withdrawn without Our written consent.

3 LOSS DUTY

In the event of Damage to property insured it is Your duty to take all reasonable steps to effect recovery or preservation.

4 MAINTENANCE OF VEHICLES

It is a condition precedent to Our liability that Your Vehicles must be properly maintained in a roadworthy condition

EXCLUSIONS

We will not be liable in respect of:

- 1 Damage caused by, or arising from, mildew, moth, vermin, inherent vice, rust, corrosion, deterioration, contamination, shortage in weight, evaporation, taint, action of light or atmospheric or climatic conditions
- 2 Insufficient, inappropriate or inadequate packing or insufficient insulation
- 3 Incorrect or inadequate addressing
- 4 Property carried by You for hire or reward
- 5 Electrical and/or mechanical derangement unless caused by external means
- 6 Delay, confiscation, requisition, embargo or nationalisation by order of the government or any public authority; loss of market; or any form of consequential loss.

- 7 Damage to livestock; jewellery; furs; watches; precious metals and stones; Treasury notes; bullion; cash; bonds; deeds; stamps; securities; non ferrous metal and scrap; and explosives, unless We have agreed otherwise prior to the carriage of those goods.
- 8 Theft or attempted theft of or from Unattended Vehicle(s) and/or trailer(s) and/or container(s), being those owned by You or leased or hired to You under agreement or otherwise in Your care or control, unless
 - (a) entry or access to the vehicle has been effected by forcible and violent means AND EITHER
 - (b) between 0600 hours and 2200 hours such Vehicle and/or trailer and/or container has all doors, windows, boot and other openings closed and securely locked, and all additional protective devices put into full and proper operation, and has all keys removed, OR
 - (c) between 2200 hours and 0600 hours
 - (i) the Vehicle is either
 - 1) garaged in a building or
 - 2) parked in a fully enclosed yard which is securely closed and locked or
 - 3) under constant manned surveillance
 - and
 - (ii) the Vehicle has all doors, windows, boot, and other openings closed and securely locked, and all additional protective devices put into full and proper operation, and has all keys removed.
- 9 Any loss directly or indirectly occasioned by or happening through or in consequence of strikes, lock-outs, labour disturbances, riots and civil commotions other than in Great Britain, the Channel Islands, and the Isle of Man
- 10 Damage to property conveyed in a refrigerated, frozen, chilled or insulated condition as a result of deterioration due to any variation in temperature unless as a result of an accident to the Vehicle or unless specifically agreed otherwise by Us prior to the carriage of the property
- 11 The amount of the Excess specified in the Schedule.

SECTION D - BOOK DEBTS

DEFINITIONS

Outstanding Debit Balances

The total last recorded by You under the Outstanding Debit Recording Condition (Condition 2 of this Section), adjusted for:-

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

so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would have been obtained at the date of the Damage had the Damage not occurred.

COVER

If, as a consequence of Your books of account or other business books or records at the Premises:-

- (a) being the subject of Damage by an accidental cause;
- (b) being lost due to theft involving entry into or exit from the Premises by forcible and violent means or any attempt thereat;
- (c) being lost due to hold-up namely theft consequent upon and in connection with assault or violence or threat thereof to You or any of Your employees

during the Period of Insurance You are unable to trace or establish the Outstanding Debit Balances due to You in whole or in part We will pay:

1 In Respect of Outstanding Debit Balances

the amount of loss resulting from such Damage but not exceeding

- (a) the difference between
 - (i) the Outstanding Debit Balances, and
 - (ii) the total of the amounts received or traced in respect thereof,
- (b) the additional expenditure incurred with Our prior consent in tracing and establishing customers debit balances after the Damage,

Provided that if the Sum Insured by this Item is less than the Outstanding Debit Balances the amount payable shall be proportionately reduced;

2 In Respect of Auditors' or Professional Accountants' Fees.

the reasonable charges payable by You to Your auditors or professional accountants for producing any particulars or details or any other proofs, information or evidence as We may require under the terms of this Section and reporting that such particulars or details are in accordance with Your books of account or other business books or documents.

Provided that Our maximum liability under this Section inclusive of fees shall not exceed the Sum Insured on Outstanding Debit Balances as stated in the Schedule.

EXTENSIONS

1 AUTOMATIC REINSTATEMENT

In consideration of the insurance not being reduced by the amount of any loss You shall pay the appropriate extra premium on the amount of the loss from the date thereof to the date of the expiry of the Period of Insurance.

2 TEMPORARY REMOVAL

This insurance extends to include loss resulting from Damage:-

- (a) in any premises in Great Britain, Northern Ireland, the Channel Islands, or the Isle of Man occupied by persons acting on Your behalf to whom Your books of account or other business books or records are temporarily removed;
- (b) to Your books of account or other business books or records whilst in transit within Great Britain, Northern Ireland, the Channel Islands, or the Isle of Man.

3 EXPLOSION

Notwithstanding Exclusion 1 of Section A, We will pay for loss following Damage to Your books of account or other business books or records in consequence of the explosion of any boiler or economiser on the Premises in which internal pressure is due to steam only

CONDITIONS

1 FIRE RESISTANT SAFES

It is a condition precedent to Our liability that Your books of account or other business books or records in which customers' accounts are shown shall be kept in fire resistant safes or fire resistant cabinets when not in use. This clause shall not apply to books of account or other business books or records, which have been removed from the Premises, covered by Extension 2 of this Section.

2 OUTSTANDING DEBIT RECORDING

It is a condition precedent to Our liability that at the end of each month You shall record the total amount outstanding in customers' accounts at that time, and keep a copy of such records securely at a place other than the Premises.

EXCLUSIONS

The insurance by this Section does not cover loss occasioned by or happening through:-

- 1 Erasure or distortion of information on computer systems or other records
 - (a) due to the presence of a magnetic flux or whilst mounted in or on any machine or data processing apparatus unless caused by Damage to the said machine or apparatus;
 - (b) due to defects in such records.
- 2 Invoicing errors or omissions.
- 3 Deliberate falsification of business records.
- 4 Mislaying, misfiling or other unexplained disappearance of tapes and records.
- 5 The deliberate act of the Public Supply undertaking in restricting or withholding electricity supply.
- 6 Wear and tear and gradual deterioration, vermin, rust, damp or mildew.
- 7 The connivance by any of Your directors, partners or employees
- 8 Damage caused by or arising from any kind of seepage or any kind of pollution and/or contamination but this shall not exclude loss resulting from Damage to Your books of account or other business books or records whilst at the Premises for the purpose of the Business caused by
 - (a) pollution or contamination which itself results from a Defined Peril
 - (b) a Defined Peril which itself results from pollution or contamination

SECTION E - LOSS OF LICENCE

DEFINITIONS

Territorial Limits

England, Wales, Scotland, Northern Ireland, the Channel Islands and the Isle of Man

Income

The money paid or payable to You in respect of food drink accommodation and services less the cost of food and drink

Indemnity Period

The period beginning with the loss of Licence and ending not later than twelve months thereafter during which the results of the Business shall be affected in consequence of the loss of Licence. Provided that if the Premises are disposed of within the twelve months after the loss of Licence the Indemnity Period shall terminate upon disposal of the Premises

Licence

The licence which authorises the Premises to be used for one or more licensable activities in connection with the Business

Licensing Authorities

Those bodies and/or individuals authorised to grant licences for the sale of alcohol and or the provision of entertainment within each of the territories within the Territorial Limits

Designated Premises Supervisor

The individual designated as the manager or supervisor of the Premises, whether or not that person is the owner or licensee.

COVER

We will indemnify You up to an amount not exceeding in total the Sum Insured stated under Section E of the Schedule in the event of:

- 1 forfeiture, suspension or withdrawal of the Licence under the provision of legislation governing such licences
- 2 refusal to renew the Licence after due application to the appropriate Licensing Authorities

occurring during the Period of Insurance and the amount payable shall be

- (a) the amount by which the Income during the Indemnity Period falls short of the Income during the equivalent period immediately before the forfeiture suspension withdrawal or refusal to renew the Licence
- (b) any reasonable additional expenditure incurred in maintaining the Income during the Indemnity period but not more than the loss avoided under (a) above

less any amount saved during the Indemnity Period in respect of reduced expenses due to loss of the Licence

In adjusting the amount payable all variations or special circumstances affecting the Business shall be taken into account in order that the amount paid shall represent as closely as practicable the results which would have been expected if forfeiture, suspension, withdrawal, or refusal to renew the Licence had not occurred.

If the event occurs in the first trading year the payment under (a) above shall be based on the trading figures immediately before the forfeiture, suspension, withdrawal, or refusal to renew the Licence.

- (c) the reduction in the value of the Premises if within 12 months of forfeiture, suspension or withdrawal the Premises are sold as a consequence thereof, less any sum We have already paid in connection with such forfeiture, suspension or withdrawal
- (d) all reasonable costs and expenses You incur with Our written consent
- (e) auditors' or accountants' charges reasonably incurred for producing and certifying details of a claim under this Section

CONDITIONS

- 1 It is a condition precedent to Our liability that You shall give notice in writing to Us as soon as possible on becoming aware of any
 - (a) notice, caution or complaint against the Premises or the control of the Business at the Premises or against any Licence holder, manager, tenant, Designated Premises Supervisor or other occupier of the Premises
 - (b) proceedings against or conviction (other than convictions regarded as "spent" under the Rehabilitation of Offenders Act, 1974 and subsequent legislation) of the Licence holder, manager, tenant, Designated Premises Supervisor or other occupier of the Premises for any breach of the licensing legislation or any other matter whatsoever whereby the character or reputation of the person concerned is affected or called into question with respect to his/her honesty moral standing or sobriety
 - (c) other circumstances which may result in a claim being made
 - (d) alteration to the activities undertaken in connection with the Business at the Premises
 - (e) objection to renewal or any other circumstance which might prejudice renewal of the Licence
 - (f) change in the tenancy or management of the Premises
 - (g) transfer, surrender or proposed transfer or surrender of the Licenceand supply such additional information and give such assistance as We may reasonably require
- 2 In the event of death, insolvency, or incapacity of, or the conviction or absconding of, any Licence holder, manager, tenant, Designated Premises Supervisor, or other occupier of the Premises, You shall take all reasonable practicable steps to secure a replacement for such person, such replacement being acceptable to the Licensing Authorities or any other like authority governing transfer of the Licence
- 3 It is a condition precedent to Our liability that You shall, on becoming aware of the forfeiture, suspension, withdrawal, lapsing or refusal to renew the Licence or of any circumstances likely to prejudice continuance of the Licence
 - (a) within 24 hours give notice to Us and as soon as possible thereafter provide a written statement substantiating the claim together with such documents, statements and accounts as We may reasonably require
 - (b) give Us such access to the Premises and Your books as We may require to quantify the amount payable under this section of the policy.
 - (c) give Us all necessary assistance We may require to appeal against such forfeiture, suspension, withdrawal, lapsing or refusal to renew the Licence

- (d) if practicable, and if required by Us, apply for the grant of a new Licence for the same or for alternative premises to enable the continuance of the Business or of a similar business
- 4 No offer shall be made to surrender or discontinue the Licence without Our written consent.

EXCLUSIONS

This Section does not cover

- 1 any loss for which You are entitled to obtain compensation under the provision of any statute following refusal to renew the Licence
- 2 any loss arising from the alteration of the law governing the grant, renewal, transfer, surrender, forfeiture, suspension or withdrawal of the Licence after the commencement of the Period of Insurance, unless We confirm in writing that this cover will continue to apply after such alteration in so far as the prevailing law permits
- 3 forfeiture, suspension, withdrawal or lapsing of the Licence as a result of:
 - (i) actual or proposed compulsory acquisition of the Premises
 - (ii) any scheme of town or country planning, improvement or redevelopment of the area
 - (iii) failure to comply with any direction or requirement of Licensing Authorities or any other like authority
 - (iv) failure to maintain the Premises in good sanitary and general repair
 - (v) alteration to the Premises without the consent of the appropriate authority
 - (vi) the death or insolvency of the Licence holder
 - (vii) the Licence holder being declared mentally incapable
 - (viii) the loss of any licence issued to the Designated Premises Supervisor in a personal capacity or the Designated Premises Supervisor being dismissed or otherwise unable to fulfil that role
 - (ix) the failure to notify the authorities about changes to the services or activities provided at the Premises
 - (x) the failure to comply with the standards required by the fire, planning and food hygiene authorities
- 4 forfeiture, suspension, withdrawal or lapsing of the Licence occasioned, wholly or in part, by
 - (i) any act(s) or omission(s) (intentional or otherwise) undertaken by You or those acting on Your behalf for the purpose of securing the forfeiture, suspension or withdrawal of the Licence or
 - (ii) Your failure to take all reasonable action to maintain the Licence in force.
 - (iii) Your failure to apply for or follow the correct procedures for applying for a Licence under the regulations of the Licensing Act 2003.
- 5 forfeiture, suspension or withdrawal of the Licence following Police objections, unless the Licence is subsequently withdrawn by the Licensing Authorities

SECTION F - BUSINESS INTERRUPTION

DEFINITIONS

Notes:

- 1 To the extent that You are accountable to the tax authorities for Value Added Tax, all terms in this insurance shall be exclusive of such tax.
- 2 For the purpose of these definitions, any adjustment implemented in current cost accounting shall be disregarded.

Indemnity Period

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.

Maximum Indemnity Period

The number of months as stated in the Schedule.

Gross Profit

The amount by which:-

- (a) the sum of the amount of the Turnover and the amounts of the closing stock and closing work in progress shall exceed;
- (b) the sum of the amounts of the opening stock and opening work in progress and the amount of the Specified Working Expenses.

Note: The amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with Your normal accountancy methods, due provisions being made for depreciation.

Estimated Gross Profit

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

Specified Working Expenses

Purchases (less discounts received); Bad Debts; Discounts allowed; Carriage, Packing and Freight and such additional expenses as may be specified in the Schedule.

Note: The words and expressions used in this definition (other than wages) shall have the meaning usually attached to them in Your books and accounts.

Turnover

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

Gross Revenue

The money paid or payable to You for services rendered in the course of Business at the Premises.

Estimated Gross Revenue

The amount declared by You to Us as representing not less than the Gross Revenue which it is anticipated will be earned by the Business during the financial year most

COVER

We will pay up to the Sum Insured or any other stated limit of liability for each item shown in the Schedule in respect of interruption or interference with the Business in consequence of accidental Damage occurring during the Period of Insurance to property used by You at the Premises for the purpose of the Business. Provided that at the time of the Damage there is in force an insurance covering Your interest in the property at the Premises against such Damage and that payment shall have been made or liability admitted in respect of the Damage or payment would have been made or liability would have been admitted but for the operation of a proviso in such insurance excluding liability for losses below a specified amount.

BASIS OF COVER

(The Schedule will show which basis is operative)

1 GROSS PROFIT DECLARATION LINKED

The insurance in respect of Estimated Gross Profit is limited to loss of Gross Profit due to

- (a) Reduction in Turnover and
- (b) Increase In Cost of Working

and the amount We will pay as indemnity shall be:-

- (a) in respect of Reduction in Turnover, the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall fall short of the Standard Turnover in consequence of the Damage;
- (b) in respect of Increase in Cost of Working, the additional expenditure (subject to the provisions of the Uninsured Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the Reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the total of
 - (i) the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided;plus
 - (ii) 5% of the Sum Insured by this item for the purpose of maintaining the Business during the Indemnity Period subject to a limit of £250,000

Less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage.

Provided that Our liability shall in no case exceed in respect of Gross Profit 133.33% of the Estimated Gross Profit stated in the Schedule.

2 GROSS REVENUE DECLARATION LINKED

The insurance in respect of Estimated Gross Revenue is limited to

- (a) Loss of Gross Revenue and
- (b) Increase in Cost of Working

and the amount payable as indemnity hereunder shall be:-

- (a) in respect of the Loss of Gross Revenue, the amount by which the Gross Revenue during the Indemnity Period shall fall short of the Standard Gross Revenue in consequence of the Damage;
- (b) in respect of Increase in Cost of Working, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Revenue which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the total of
 - (i) the amount of the reduction in Gross Revenue thereby avoided
plus
 - (ii) 5% of the Sum Insured by this item for the purpose of maintaining the Business during the Indemnity Period subject to a limit of £250,000

Less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the Business payable out of Gross Revenue as may cease or be reduced in consequence of the Damage.

Provided that Our liability shall in no case exceed in respect of Gross Revenue 133.33% of the Estimated Gross Revenue stated in the Schedule.

3 GROSS RENTALS

The insurance in respect of Gross Rentals is limited to

- (a) loss of Gross Rentals;
- (b) increase in Cost of Working

and the amount payable as indemnity thereunder shall be:-

- (a) in respect of loss of Gross Rentals, the amount by which the Gross Rentals during the Indemnity Period shall fall short of the Standard Gross Rentals in consequence of the Damage;
- (b) in respect of Increase in Cost of Working, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Rentals which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the total of
 - (i) the amount of the reduction in Gross Rentals thereby avoided
plus
 - (ii) 5% of the Sum Insured by this item for the purpose of avoiding or diminishing the reduction in Gross Rentals during the Indemnity Period subject to a limit of £250,000

Less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business normally payable out of Gross Rentals as may cease or be reduced in consequence of the Damage.

Provided that if the Sum Insured by this item be less than the Annual Gross Rentals (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

4 INCREASE IN COST OF WORKING

The insurance in respect of Increase in Cost of Working is limited to the additional expenditure necessarily and reasonably incurred in consequence of the Damage in order to continue the Business during the Indemnity Period. Provided that Our liability shall be limited to the additional expenditure which is necessarily incurred to maintain the Business as it was immediately before the Damage and shall not exceed the Sum Insured shown in respect of Increase in Cost of Working in the Schedule.

EXTENSIONS

(These Extensions apply to your policy automatically)

1 REINSTATEMENT OF LOSS

In the event of loss under this Section, and in the absence of written notice by You or Us to the contrary, the amount of such loss is to be automatically reinstated from the date of the loss and You undertake to pay such additional premium as We may reasonably require for the reinstatement for the remainder of the Period of Insurance.

2 AUDITORS OR PROFESSIONAL ACCOUNTANTS

We will pay You the reasonable charges payable to Your auditors or professional accountants for producing

- (i) such particulars or details or any other proofs, information or evidence as We may require under the terms of General Condition 7 of this insurance and reporting that such particulars or details are in accordance with Your books of account or other business books or documents. Provided that Our maximum liability under this Section inclusive of fees shall not exceed the Sum Insured for the item.
- (ii) any particulars or details contained in Your books of account or other business books or documents which We may require under General Condition 7 of this insurance for the purpose of investigating or verifying any claim hereunder, if at the time they are regularly acting as such for You, and their report shall be prima facie evidence of the particulars and details to which such report relates.

3 PROPERTY STORED

We will pay in the event of interruption of or interference with the Business following accidental Damage to Your property whilst stored anywhere in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, elsewhere than at any premises which You occupy. Provided that Our Liability under this Extension shall not exceed £50,000 for any one claim.

4 PREVENTION OF ACCESS

We will pay in the event of interruption of or interference with the Business following accidental Damage to property in the vicinity of the Premises which prevents or hinders access to or use of the Premises whether the Premises or Your property are the subject of Damage or not. Provided that Our Liability under this Extension shall not exceed £50,000 for any one claim.

5 EXPLOSION

Notwithstanding Exclusion 1 of Section A, We will pay for loss resulting from interruption or interference with the Business carried on at the Premises in consequence of the explosion of any boiler or economiser on the Premises in which internal pressure is due to steam only

6 UTILITIES – FAILURE TO ARRIVE

We will pay for loss resulting from interruption of or interference with the Business carried on at the Premises in consequence of failure of the supply (but excluding any failure which does not include interruption of supply for at least four hours) of

- (a) electricity at the terminal ends of the supply authority's service feeders at the Premises
- (b) gas at the supply authority's meters at the Premises
- (c) water at the supply authority's main stop cock serving the Premises (other than by drought)
- (d) telecommunications at the supply authority's equipment at the Premises

not occasioned by

- (i) the deliberate act of any supply authority nor by the exercise by any such authority of its power to withhold or restrict supply
- (ii) strikes or labour or trade disputes

Provided that Our liability shall not exceed £50,000 for any one claim.

7 PROPERTY TEMPORARILY REMOVED

We will pay in the event of interruption to the Business as a result of accidental Damage to Your property (other than Stock in Trade) whilst temporarily removed from the Premises to any other premises in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man for the purposes of cleaning, renovation, repair or other similar purposes.

Provided that We will not be responsible for any loss following Damage resulting from Your property undergoing any process of production, packing, treatment, testing, commissioning, servicing, alteration, cleaning or repair.

OPTIONAL EXTENSIONS

(These Extensions apply only if specified in the Schedule and Our Liability in respect of each operative Extension shall be as shown against that item in the Schedule)

FE01 ADDITIONAL INCREASE IN COST OF WORKING

We will pay You for the further additional expenditure beyond that recoverable in respect of increase in the cost of working provided for elsewhere in this section as You shall necessarily and reasonably incur with Our consent during the Indemnity Period in consequence of the Damage for the sole purpose of avoiding or diminishing the reduction in Turnover or Gross Revenue (as applicable).

FE02 FINES, PENALTIES AND DAMAGES

Notwithstanding Exclusion 1 of this Section, We will pay those sums You shall be legally liable to pay as a direct result of breach of contract in discharge of

- (i) fines, penalties or damages for non-completion or late completion of orders, work or services
- (ii) committed costs for outside purchases or services in respect of such outside purchases or services which cannot be utilised by You

during the Indemnity Period incurred solely in consequence of Damage as insured by this policy to property at the Premises which occurs during the Period of Insurance

FE03 INSURED COMMUNICABLE DISEASES AND OTHER CLOSURE

The insurance by this Section is extended to include loss directly resulting from interruption of or interference with the Business carried on by You at the Premises in consequence of:

- (a) an occurrence of an Insured Communicable Disease manifested by any person whilst at the Premises provided that:
 - (i) the interruption or interference is caused solely by the occurrence of the Insured Communicable Disease at the Premises and is not caused or contributed to by occurrence(s) of that disease elsewhere; and
 - (ii) There shall be no cover for loss caused by the occurrence of the disease at the Premises from the point at which that occurrence forms part of an Epidemic or Pandemic;
- (b) murder or suicide occurring at the Premises;
- (c) injury or illness sustained by any guest which arises from, or is traceable to, foreign or injurious matter in food or drink provided on the Premises;
- (d) closing of the whole or part of the Premises by the order or on the advice of a competent Public Authority as a result of:-
 - (i) defects in the drains or other sanitary arrangements in the Premises
 - (ii) the Premises becoming infested with vermin or pests.

Special Provisions

- (a) Insured Communicable Disease means illness sustained by any person resulting from any of the following human infectious or human contagious diseases

Acute Poliomyelitis
Anthrax
Chicken Pox
Diphtheria
Dysentery
Legionellosis
Legionnaires Disease
Leprosy
Leptospirosis
Malaria
Measles
Meningococcal Infection
Mumps
Ophthalmia Neonatorum
Paratyphoid fever
Rabies
Rubella
Scarlet Fever
Smallpox
Tetanus
Tuberculosis
Viral Hepatitis
Whooping Cough

- (b) for the purpose of this clause, Indemnity Period means the period during which the results of the Business shall be affected in consequence of the Damage beginning:-

(i) in the case of (a), (b), (c), above, with the occurrence or discovery of the incident;

(ii) in the case of (d) above, with the date from which the restrictions on the Premises are applied

and ending not later than 12 weeks thereafter.

FE04 PREVENTION OF ACCESS – NON DAMAGE

We will indemnify You for loss resulting from interruption or interference with the Business carried on at the Premises in consequence of access to the Premises being hindered or prevented by the action or instructions of the Police or other statutory body in closing down or sealing off of the Premises or property in the vicinity of the Premises due to

- (a) occupation of the Premises or other property in the vicinity by terrorists
- (b) unlawful occupation of the Premises or other property in the vicinity by third parties except in the case of a trade dispute
- (c) the suspected or actual presence of an incendiary or explosive device on or in the vicinity of the Premises

Provided that

- (i) We shall not be liable under this Extension for any incident where access to the Premises is hindered or prevented for a period of less than 12 hours
- (ii) the Maximum Indemnity Period in respect of this Extension shall be 12 months and not as otherwise stated
- (iii) We shall not be liable under this Extension for the consequence of any physical Damage or any infectious or contagious disease

FE05 PATTERNS

We will indemnify You for loss resulting from interruption or interference with the Business as a result of accidental Damage to patterns, jigs, models, templates, moulds, dies, tools, plans, drawings and designs, Your property or held by You in trust or on commission for which You are responsible whilst at the premises in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, of any machine makers, engineers, founders or other metal workers, and whilst in transit thereto and therefrom by road, rail or inland waterway but excluding any premises wholly or partly occupied by You.

FE06 TRANSIT

We will indemnify You for loss resulting from interruption or interference with the Business as a result of accidental Damage to Your Property whilst in transit by road, rail or inland waterway in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, but excluding Damage arising from impact to, or collision with, the conveying road or rail vehicle or waterborne craft.

FE07 MOTOR VEHICLES

We will indemnify You for loss resulting from interruption or interference with the Business as a result of accidental Damage to Your Motor Vehicles whilst in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, elsewhere than at any premises in Your occupation.

FE08 CONTRACT SITES

We will indemnify You for loss resulting from interruption or interference with the Business as a result of accidental Damage at any situation in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, not in Your occupation, where You are carrying out a contract.

FE09 EXHIBITION SITES

We will indemnify You for loss resulting from interruption or interference with the Business as a result of accidental Damage at any situation in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, not in Your occupation, where You are exhibiting Your goods for sale.

FE10 LOSS OF ATTRACTION

We will indemnify You for loss resulting from interruption or interference with the Business as a result of accidental Damage to property in the vicinity of the Premises which shall cause You loss of custom directly due to loss of services and facilities in the immediate vicinity of the Premises whether the Premises or Your property are the subject of Damage or not.

FE11 SPECIFIED SUPPLIERS

We will indemnify You for loss resulting from interruption or interference with the Business as a result of accidental Damage at the premises of those suppliers detailed in the Schedule.

FE12 UNSPECIFIED SUPPLIERS

We will indemnify You for loss resulting from interruption or interference with the Business as a result of accidental Damage at the premises in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man of any of Your suppliers, manufacturers or processors of components, goods or materials, but excluding the premises of any supply undertaking from which You obtain electricity, gas or water or telecommunication services.

FE13 SPECIFIED CUSTOMERS

We will indemnify You for loss resulting from interruption or interference with the Business as a result of accidental Damage at the premises of those customers detailed in the Schedule.

FE14 UNSPECIFIED CUSTOMERS

We will indemnify You for loss resulting from interruption or interference with the Business as a result of accidental Damage at the premises of any of Your customers in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

FE15 MOTOR VEHICLE MANUFACTURERS

We will indemnify You for loss resulting from interruption or interference with the Business as a result of accidental Damage at the premises of those motor vehicle manufacturers detailed in the Schedule.

CONDITIONS

(The following Conditions apply to all policies.)

1 SALVAGE SALE

If, following Damage giving rise to a claim under this Section, You hold a salvage sale during the Indemnity Period, the amount We will pay as indemnity in respect of Reduction in Turnover will be amended to read as follows:-

- (a) in respect of Reduction in Turnover, the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the Turnover for the period of the salvage sale) shall fall short of the Standard Turnover as a consequence of the Damage. The Gross Profit actually earned during the period of the salvage sale shall then be deducted from this sum.

2 DEPARTMENTAL

If You conduct the Business in departments and the independent trading results of each are individually ascertainable, the provisions of paragraphs (a) and (b) of the item on Gross Profit shall apply separately to each department affected by the Damage.

3 SUBROGATION RIGHTS WAIVER

In the event of a claim arising under this Section, We agree to waive any rights, remedies or relief to which We are entitled by subrogation against any company standing in the relation of Parent to Subsidiary (Subsidiary to Parent) to You or any company which is a Subsidiary of a Parent Company of which You are Yourself a Subsidiary, in each case within the meaning of the Companies Act or the Companies (N.I.) Order as appropriate current at the time of Damage.

4 PAYMENT ON ACCOUNT

Claim Payments on account will be made to You during the Indemnity Period, if requested.

5 ACCUMULATED STOCKS

In adjusting any loss, account shall be taken and an equitable allowance made if any shortage in Turnover due to the Damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of finished goods on Your premises.

6 ALTERNATIVE TRADING CLAUSE

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

7 UNINSURED STANDING CHARGES CLAUSE

Any Increase in Cost of Working settlement will take into account any standing charges of the Business which are not insured by this Section (having been deducted in arriving at the Gross Profit). The amount We will pay will reflect only the proportion of any additional expenditure which the Gross Profit bears to the sum of the Gross Profit and the uninsured standing charges.

8 PREMIUM ADJUSTMENT CLAUSE

Where the Basis of Cover is either Gross Profit Declaration Linked or Gross Revenue Declaration Linked, the first and annual premiums are provisional and are based on the Estimated Gross Profit or Estimated Gross Revenue.

Not later than six months after the expiry of each Period of Insurance, You shall provide to Us a declaration, confirmed by Your auditors or professional accountants, of the Gross Profit earned during the financial year most closely concurrent with the Period of Insurance.

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

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

- (a) is less than the Estimated Gross Profit or Estimated Gross Revenue for the relative Period of Insurance, We will allow a pro-rata return of premium paid on the Estimated Gross Profit or Estimated Gross Revenue (but not exceeding 25% of such premium);
- (b) is greater than the Estimated Gross Profit for the relative Period of Insurance, You shall pay a pro-rata addition to the premium paid on the Estimated Gross Profit or Estimated Gross Revenue.

9 RENEWAL CLAUSE

Prior to each renewal You shall provide Us in writing with the Estimated Gross Profit or Estimated Gross Revenue for the financial year most closely concurrent with the ensuing Period of Insurance.

10 FIRST TRADING YEAR

In the event of a claim arising in the first trading year of the Business the amount payable shall be based on the trading figures immediately before the Damage which causes interruption or interference with the Business, to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in, or other circumstances, affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figures thus adjusted shall represent as closely as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

EXCLUSIONS

1 FINES AND DAMAGES

Unless You have chosen to take the cover provided by Optional Extension FE02 – Fines Penalties and Damages, We shall not be liable for any loss due to fines or damages for breach of contract, for late or non-completion of orders or for any penalties of whatever nature.

2 POLLUTION & CONTAMINATION

Notwithstanding Exclusion 4 of Section A, We will not pay for loss resulting from interruption of or interference with the Business resulting from Damage caused by any kind of seepage or any kind of pollution and/or contamination but this shall not exclude loss resulting from Damage to property used by You at the Premises for the purpose of the Business caused by

- (a) pollution or contamination which itself results from a Defined Peril
- (b) a Defined Peril which itself results from pollution or contamination

SECTION G - EMPLOYERS', PUBLIC AND PRODUCTS LIABILITY

DEFINITIONS

Injury

Death, bodily injury, illness or disease of or to any person

Employee

- (a) a person under a contract of service or apprenticeship with You or who is retired from full-time employment with You but who is still working for You as a consultant under Your control or direction
- (b) a labour master or labour only sub-contractor or person supplied or employed by them
- (c) a self employed person
- (d) a person hired to or borrowed by You including but not limited to a person on secondment from another employer
- (e) a person under a work experience or training scheme
- (f) voluntary workers
- (g) a person supplied to You under a contract or agreement the terms of which deem such person to be in Your employment

whilst working under Your direction and control in connection with the Business

Data

Information represented or stored electronically including but not limited to code or series of instructions operating systems software programs and firmware

Offshore

Embarkation on to a vessel or aircraft for conveyance at the point of final departure to an offshore rig or platform until disembarkation from the conveyance on to land upon return from such offshore rig or platform.

Pollution

Discharge disposal release or escape of smoke vapours soot fumes acids alkalis toxic chemicals liquids gases or waste materials or other irritants contaminants or pollutants.

Principal

Any individual, firm, company, ministry or public authority or government body for whom You are undertaking a contract.

Product

Any property (including packaging, containers and labels) after it has left Your custody or control which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired by You or on Your behalf

Property

Material property but not including Data

Excess

The total amount inclusive of claimant's costs fees and expenses as stated in the Schedule payable by You or any other person entitled to receive indemnity before We are liable to make any payment

It being agreed that if any payment made by Us shall include this amount such amount shall be repaid to Us forthwith

OPERATIVE AND INDEMNITY CLAUSE

We will indemnify You against:

- 1 Your liability to pay damages (including claimants' costs fees and expenses)
- 2 all costs fees and disbursements You incur with Our prior written consent in the defence or settlement of any claim under this insurance (hereinafter called "Defence Costs")

Defence Costs include legal expenses

- a) arising out of representation at any Coroners Inquest or Fatal Accident Inquiry
- b) arising out of any criminal prosecution proceedings (including any appeal) relating to an offence alleged to have been committed during the Period of Insurance and in the course of the Business in respect of matters which may form the subject of indemnity by this insurance (including, with Our prior consent Your directors, partners or Employees).

Provided that:

- i) We shall not be liable for any fines or penalties imposed as a consequence of such prosecution or appeal including the cost of complying with a publicity or remedial order as defined in the Corporate Manslaughter and Corporate Homicide Act 2007 arising in respect of such prosecution or appeal
- ii) We shall not be responsible for Defence Costs where at Our discretion We may require the opinion of counsel (whose appointment is at Our sole discretion) as to whether or not such costs should extend or continue to extend to the support of such defence and where such counsel's opinion is that there is no reasonable defence to the prosecution
- iii) Our liability for Defence Costs in cases of breach or alleged breach of The Health and Safety at Work Act 1974 and such Regulations as are passed under or exist as a consequence of that Act are (unless with Our prior consent otherwise) limited to prosecutions under Section 33(1) (a) to (c) of the Act or similar duty imposed under legislation in Northern Ireland, the Channel Islands or the Isle of Man
- (iv) Our liability for Defence Costs in cases of breach or alleged breach of Part II of the Consumer Protection Act 1987 or the Food Safety Act 1990 will be limited to proceedings not consequent upon a deliberate act or omission

- (v) We shall not be liable for Defence Costs consequent upon any deliberate act or omission by
 - (i) You
 - (ii) any of Your partners or directors
 - (iii) any Employee with any specific responsibility for compliance with the legislation specified above which could reasonably have been expected to constitute a breach of the legislation specified above

The indemnity applies only to such liability as defined by each insured Sub Section arising out of the Business specified in the Schedule subject always to the terms Conditions and Exclusions of such Sub Section and of the insurance as a whole

SECTION G - SUB SECTION 1 EMPLOYERS LIABILITY

DEFINITION

Territorial Limits

- (a) Great Britain Northern Ireland the Channel Islands and the Isle of Man and offshore installations in territorial waters around Great Britain and its continental shelf
- (b) elsewhere in the world in respect of temporary Business visits undertaken by any Employee normally resident in the territories defined in (a) above

COVER

We will indemnify You in accordance with the Operative and Indemnity Clause but only for Injury to an Employee where such Injury arises out of the Business and is caused during the Period of Insurance as stated in the Schedule within the Territorial Limits. Provided that Our liability to pay damages (including claimants' costs fees and expenses) and Defence Costs shall not exceed the Limit of Indemnity stated in the Schedule in respect of any one occurrence or series of occurrences arising out of one originating cause.

SECTION G - SUB SECTION 2 PUBLIC LIABILITY

DEFINITION

Territorial Limits

- (a) Great Britain Northern Ireland the Channel Islands and the Isle of Man and offshore installations in territorial waters around Great Britain and its continental shelf;
- (b) elsewhere in the world in respect of temporary Business visits undertaken by any director, partner or Employee normally resident in the territories defined in (a) above provided such person is engaged in non-manual work

COVER

We will indemnify You in accordance with the Operative Clause for

1. Accidental Injury
2. Accidental Damage to Property
3. Nuisance trespass to land or trespass to goods or interference with any easement right of air light water or way other than legal liability for damages which result from Your deliberate act or omission or which is a natural consequence of the ordinary conduct of the Business and which could reasonably have been expected by You having regard to the nature and circumstances of such act or omission
4. Wrongful arrest, false imprisonment or false eviction

occurring during the Period of Insurance as stated in the Schedule within the Territorial Limits and in the course of the Business. Provided that Our liability to pay damages shall not exceed the Limit of Indemnity stated in the Schedule in respect of any one occurrence or series of occurrences arising out of one originating cause.

SECTION G - SUB SECTION 3 PRODUCTS LIABILITY

DEFINITION

Territorial Limits

Anywhere in the world in respect of Products sold or supplied from within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

COVER

We will indemnify You in accordance with the Operative and Indemnity Clause for Injury and/or Damage occurring during the Period of Insurance as stated in the Schedule in connection with the Business and within the Territorial Limits but only against liability arising out of or in connection with any Product. Provided that Our liability to pay damages shall not exceed in aggregate the Limit of Indemnity stated in the Schedule in respect of all occurrences arising during any one Period of Insurance.

SECTION G EXTENSIONS

(Each Extension will show the Sub Section(s) to which it applies)

1 ADDITIONAL PERSONS INSURED (Applicable to all Sub Sections)

- (a) In the event of the death of any person entitled to indemnity under this Section, We will indemnify in the terms of this Policy the deceased's legal personal representatives but only in respect of liability incurred by such deceased person
- (b) At Your request indemnity will be extended to:
 - (i) any of Your directors, partners or Employees in respect of liability arising in connection with the Business
 - (ii) any officer committee or member of Your canteen sports social or welfare organisation; fire, security, first aid, medical or ambulance services in their respective capacities as such but not including medical practitioners while working in a professional capacity
 - (iii) any of Your directors, partners or senior officials in respect of private work undertaken for them with your consent by any Employee

each of whom shall be subject to the terms and conditions of this policy so far as they can apply as though the Insured and provided You would have been entitled to indemnity under this Section if the claim had been made against You

For the purposes of the Limit of Indemnity all of the persons entitled to indemnity under this insurance shall be treated as a one party or legal entity so that there will be only two parties to the contract of insurance namely You and Us.

2 COURT ATTENDANCE COSTS (Applicable to all Sub Sections)

In the event of any of the under mentioned persons attending court as a witness at Our request in connection with a claim in respect of which You are entitled to indemnity under this insurance We will provide compensation at the following rates per day on which attendance is required

- (a) You or any of Your directors or partners £500
- (b) any Employee £250

Provided always that

- (i) We shall not be liable unless We have the sole conduct and control of all claims covered by this Extension
- (ii) this Extension shall not apply to any liability which is covered by any other insurance

3 UNSATISFIED COURT JUDGEMENTS (Applicable to Sub Section 1)

In the event of a judgement for damages being obtained by any Employee or the personal representatives of any Employee in any court situated within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man

- (i) in respect of Injury to the Employee caused during any Period of Insurance and arising out of and in the course the Business, and
- (ii) against any company or individual operating from premises within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, and
- (iii) payment remaining unsatisfied in whole or in part six months after the date of such judgement,

at Your request We will pay to the Employee or personal representative of the Employee the amount of any such damages and any awarded costs to the extent that they remain unsatisfied.

Provided always that

- (a) there is no appeal outstanding
- (b) if any payment is made under the terms of this Extension the Employee or personal representatives of the Employee shall assign the judgement including damages and costs to Us

4 INDEMNITY TO PRINCIPALS (Applicable to Sub Sections 1 & 2)

Where You so request, We agree to indemnify any Principal but only to the extent that such liability arises solely out of the work performed for the Principal by You or on Your behalf. Provided that the Principal shall be subject to and comply with the terms and Conditions herein and this clause shall in no way operate to increase the Limits of Indemnity as stated in the Schedule

5 EXHIBITIONS (Applicable to Sub Sections 1 & 2)

We will indemnify You in respect of liability arising out of Your attendance at exhibitions and trade fairs during the Period of Insurance and within the Territorial Limits applicable to each Sub Section.

6 CROSS LIABILITIES (Applicable to Sub Sections 2 & 3)

Each person or party specified as the Insured in the Schedule is separately indemnified in respect of claims made against any of them by any other. Provided that Our total liability shall not exceed the stated Limits of Indemnity

7 DATA PROTECTION ACT 1998 (Applicable to Sub Sections 2 & 3)

The indemnity provided by this insurance extends to include liability for damage and distress under Section 13 of the Data Protection Act 1998

Provided that

- (a) the liability arises from data for which You are registered under the Act and You have taken all reasonable care to comply with the requirements of the Data Protection Act 1998
- (b) You are not in business as a Computer Bureau
- (c) You do not supply data for a fee other than to a data subject
- (d) a claim is first made against You during the Period of Insurance
- (e) We will not indemnify You in respect of

- (i) the cost of replacing, re-instating, rectifying, erasing, blocking or destroying any personal data
- (ii) liability caused by or arising from a deliberate or intentional act or omission by You or any other party entitled to an indemnity under this section the effect of which will knowingly result in liability under the Data Protection Act
- (iii) claims which arise out of circumstances notified to previous insurers or are known to You at the inception of this insurance
- (iv) liability for which indemnity is provided under any other insurance
- (v) any claim or claims made by or on behalf of any of Your directors or Employees in connection with employment in the Business
- (vi) the payment of fines or penalties

8 DEFECTIVE PREMISES ACT (Applicable to Sub Section 2)

We will indemnify You in respect of liability arising during the Period of Insurance under the Defective Premises Act 1972 or similar legislation in relation to any business premises or land of which You have disposed. Provided that

- (a) such liability is not otherwise insured, and
- (b) We shall not be liable in respect of the costs incurred by anyone in removing rebuilding repairing or rectifying any such premises

9 MOTOR CONTINGENT LIABILITY (Applicable to Sub Section 2)

Notwithstanding Exclusion 6 of this Section this insurance will indemnify You in respect of Injury or Damage arising out of the use of any motor vehicle owned by an Employee and being used in the course of the Business Provided always that no indemnity is provided by this Extension:

- (a) in respect of Injury to any person being carried by motor cycle otherwise than in a sidecar attached to it
- (b) for Damage to any vehicle and/or contents therein
- (c) Injury or Damage arising while such vehicle is being driven by You or any Employee other than the owner of such vehicle
- (d) if such vehicle is more specifically insured
- (e) for any Employee whilst driving or in charge of such vehicle
- (f) if such vehicle is being used outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man
- (g) if the vehicle is being used with Your general consent or that of Your representative by any person who, to Your knowledge or the knowledge of such representative, does not hold a licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a licence

10 OVERSEAS PERSONAL LIABILITY (Applicable to Sub Section 2)

We will indemnify You and, if You so request, any of Your directors or Employees (or immediate family accompanying You or them) against legal liability incurred in a personal capacity whilst temporarily outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man in connection with the Business

The indemnity will not apply:

- (a) to legal liability arising out of the ownership or occupation of land or buildings
- (b) where indemnity is provided by any other insurance

SECTION G CONDITIONS

(Each Condition will show the Sub Section(s) to which it applies)

1 PROPORTIONMENT OF DEFENCE COSTS (Applicable to All Sub Sections)

Except where the Limit of Indemnity is inclusive of Defence Costs if a payment exceeding the Limit of Indemnity has to be made to dispose of a claim Our liability to pay all Defence Costs in connection with the claim shall be limited to such proportion of the Defence Costs as the Limit of Indemnity bears to the amount paid to dispose of the claim.

2 RIGHTS OF RECOVERY (Applicable to Sub Section 1)

This Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to Employees in Great Britain, Northern Ireland, the Channel Islands, the Isle of Man and offshore installations in territorial waters around Great Britain and its continental shelf but You shall repay to Us all sums paid by Us which We would not have been liable to pay but for the provisions of such law ordinance or statute

3 EMPLOYERS LIABILITY CERTIFICATES (Applicable to Sub Section 1)

If this policy or this Section is cancelled any certificate of Employer's Liability insurance is cancelled at the same time.

4 COSTS INCLUSIVE IN USA & CANADA (Applicable to Sub Sections 2 & 3)

Where indemnity is provided in respect of occurrences in the United States of America or Canada or their dependencies or trust territories Our Liability inclusive of all costs and expenses shall not exceed the Limit of Indemnity shown in the Schedule.

5 APPLICATION OF LIMITS OF INDEMNITY (Applicable to Sub Sections 2 & 3)

In the event of any one originating cause giving rise to an occurrence or series of occurrences which form the subject of indemnity under both Sub Sections 2 and 3, each Sub Section shall apply separately and be subject to its own separate Limits of Indemnity provided always that the total amount of Our liability shall be limited to the greater of the Limits of Indemnity available under either Sub Section providing indemnity for the occurrence or series of occurrences.

6 EXCESS (Applicable to Sub Sections 2 & 3)

The Excess will be payable before We shall be liable to make any payment.

7 ADJUSTMENT (Applicable to All Sub Sections)

If any part of the premium or renewal premium is based on estimates provided by You, You shall keep an accurate record containing all relevant particulars and shall allow Us to inspect such record. You shall within one month after the expiry of each Period of Insurance provide such information as We may require. The premium or renewal premium shall then be adjusted and the difference paid by or allowed to You. Any difference allowed to You will be subject to a minimum percentage of the premium or renewal premium being retained by Us as shown in the Schedule.

SECTION G EXCLUSIONS

(Each Exclusion will show the Sub Section(s) to which it applies)

1 ROAD TRAFFIC ACT (Applicable to All Sub Sections)

This insurance does not provide any indemnity in respect of any liability for which compulsory motor insurance or security is required under the Road Traffic Act 1988 as amended by the Motor Vehicles (Compulsory Insurance) Regulations 1992 and the Road Traffic (Northern Ireland) Order 1981 as amended by the Motor Vehicles (Compulsory Insurance) Regulations (Northern Ireland) 1993 or any other Compulsory Road Traffic Legislation

2 LIABILITY ASSUMED UNDER CONTRACT (Applicable to All Sub Sections)

We will not indemnify You

- 1 in respect of any claims under this section in respect of liability which is assumed by You under any contract or agreement
- 2 in respect only of claims arising under Sub-section 3, in the case of liability arising out of a condition or warranty of goods implied by law unless liability would have attached in the absence of such agreement.

3 FINES OR PENALTIES (Applicable to All Sub Sections)

We will not be liable in respect of:

- (i) any fines, penalties or liquidated damages
- (ii) the costs of appeal against any improvement or prohibition notices
- (iii) fees for intervention payable under the Health and Safety Fees (Regulations) 2012
- (iv) compensation ordered or awarded by a Court of Criminal Jurisdiction

4 OFFSHORE WORK (Applicable to All Sub Sections)

We will not be liable in connection with any work Offshore. If We are required by law to make a payment regarding Offshore cover then a Limit of Indemnity of £5,000,000 any one occurrence inclusive of all costs and expenses shall apply.

5 TERRORISM (Applicable to Sub Section 1)

We will not pay for liability directly or indirectly caused by, resulting from or in connection with

- (a) any act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss
- (b) any action taken in controlling, preventing, suppressing or in any way relating to any act of Terrorism

Notwithstanding the foregoing it is agreed that this exclusion will not apply to damages payable by You for any one occurrence or all occurrences of a

series consequent on or attributable to one source or original cause up to a limit of £5,000,000 inclusive of all costs and expenses.

6 MOTOR VEHICLES (Applicable to Sub Section 2)

We will not pay for any liability arising out of the ownership possession or use by You or on Your behalf of any motor vehicle or trailer for which compulsory insurance is required by legislation other than liability

- (a) caused by the use of any tool or plant forming part of or attached to or used in connection with any motor vehicle or trailer
- (b) arising beyond the limits of any carriageway or thoroughfare by the loading or unloading of any motor vehicle or trailer
- (c) for Damage to any bridge weighbridge road or anything beneath caused by the weight of any motor vehicle or trailer or of the load carried thereon
- (d) arising out of any motor vehicle or trailer temporarily in Your custody or control for the purpose of parking

and where such liability does not require compulsory insurance by legislation governing the use of any motor vehicle or trailer

7 PRODUCTS SUPPLIED (Applicable to Sub Section 2)

We will not pay for any liability arising out of Products supplied other than:

- (a) food or drink sold or supplied for consumption by Your directors, Employees or visitors
- (b) the disposal of furniture and office equipment originally intended solely for use by You in connection with the Business and which is no longer required for that purpose

8 AIR AND WATER CRAFT (Applicable to Sub Section 2)

We will not pay for liability arising out of the ownership possession or use by You or on Your behalf of any

- (a) aircraft or other aerial device
- (b) aerospace device
- (c) hovercraft
- (d) watercraft other than hand or sail propelled watercraft whilst being used on inland waterways

9 CARE, CUSTODY AND CONTROL (Applicable to Sub Section 2)

We will not pay for liability arising as a result of Damage to property owned leased or hired by You or under hire purchase or on loan to You or otherwise in Your care custody or control other than

- (a) premises (or the contents thereof) temporarily occupied by You at which You are undertaking work in connection with the Business (but no indemnity is granted for Damage to that part of the property on which You are working and which arises out of such work)
- (b) directors', partners', Employees' and visitors' clothing and personal effects including vehicles and their contents
- (c) premises tenanted by You to the extent that You would be liable in the absence of any specific agreement

10 DEFECTIVE WORK OR MATERIALS (Applicable to Sub Section 2)

We will not indemnify You in respect of the cost of replacing or making good faulty, defective or incorrect

- (a) workmanship, or

- (b) materials, goods or other property supplied, installed or erected by You or on Your behalf

11 INJURY TO AN EMPLOYEE (Applicable to Sub Sections 2 & 3)

We will not pay for Injury to an Employee where such Injury arises out of the Business.

12 PROFESSIONAL ADVICE & DESIGN (Applicable to Sub Sections 2 & 3)

We will not pay for liability arising out of or in connection with advice, design, plans, specifications, formulae, surveys or directions prepared or given by You or on Your behalf for a fee or in circumstances where a fee would usually be charged but this shall not exclude such liability arising in conjunction with Products supplied.

13 POLLUTION (Applicable to Sub Sections 2 & 3)

We will not pay for any liability arising:

- (a) from Pollution of buildings or other structures or of water or land or the atmosphere outside of North America other than caused by a sudden identifiable unintended and unexpected occurrence which takes place in its entirety at a specific time and place during the Period of Insurance. All Pollution which arises out of one occurrence shall be deemed to have occurred at the time such occurrence takes place. Provided that Our liability shall not exceed the sum stated in the Schedule in respect of all occurrences.
- (b) directly or indirectly from any Pollution or contamination of buildings or other structures or of water or land or the atmosphere in North America or where a claim is brought in a court of law in North America

14 ASBESTOS (Applicable to Sub Sections 2 & 3)

We will not pay for any liability directly or indirectly arising or resulting from or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of or exposure to asbestos or materials or products containing asbestos whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

15 EXCESS (Applicable to Sub Sections 2 & 3)

We shall not be liable for the Excess as stated in the Schedule in respect of the first amount of each claim or series of claims arising out of one originating cause

16 PUNITIVE, EXEMPLARY OR AGGRAVATED DAMAGES (Applicable to Sub Sections 2 & 3)

We will not be liable in respect of punitive exemplary or aggravated damages or sums awarded in restitution or any additional damages resulting from the multiplication of compensatory damages

17 DAMAGE TO PRODUCTS (Applicable to Sub Section 3)

We will not pay for Damage to any Product or part thereof

18 REPAIR OR REPLACEMENT OF PRODUCTS (Applicable to Sub Section 3)

We shall not be liable for costs incurred in the repair reconditioning or replacement of any Product or part thereof and/or financial loss consequent upon the necessity for such repair reconditioning or replacement

19 PRODUCT RECALL (Applicable to Sub Section 3)

We shall not be liable for any liability arising out of the recall of any Product or part thereof

20 AIRCRAFT PRODUCTS (Applicable to Sub Section 3)

We will not pay in respect of liability arising out of any Product which, with Your knowledge, is intended for manufacturers of aircraft and safety critical aircraft components such as airframe, driving equipment, landing gear, under structure, electronic equipment, hydraulic equipment and technical instruments.

21 EXPORTS TO NORTH AMERICA (Applicable to Sub Section 3)

We will not pay in respect of liability arising out of any Product which, with Your knowledge, is intended for export to the United States of America or Canada or their dependencies or trust territories.

SECTION H - FIDELITY

DEFINITIONS

Fraudulent Act

Any act or series of related acts of fraud or dishonesty

- (a) committed by any Insured Person alone or in collusion with others during the Period of Insurance and after any commencement date applicable to such Insured Person and
- (b) discovered not later than twenty-four months after
 - (i) the expiry of this insurance, or
 - (ii) the resignation, dismissal, retirement or death of such Insured Personwhichever occurs first

Insured Person

Any person who is:

- (a)
 - (i) under a contract of service or apprenticeship with You or being trained under a Government approved training scheme under Your control in connection with the Business
 - (ii) a director or partner employed by You under a contract of service and who controls no more than 5 per cent of Your issued share capital or the share capital of any of Your subsidiaries
 - (iii) for a period of 30 days following termination of employment, a former employee described in the Schedule, provided that upon termination of employment You shall have taken all reasonable security precautions to prevent fraud or dishonesty by that employee
 - (iv) furnished by a staff or employment agency or bureau whose principal business is the provision of temporary staff and who is working for You on a temporary or part-time basis in connection with the Business to perform the functions and duties of an employee entirely under Your control or direction and where any requirement for You to obtain references shall not apply to such persons
 - (v) retired from full-time employment with You who is working for You as a consultant under Your control or direction
- (b) resident within the Territorial Limits

Minimum Standards of Control

The minimum standards of supervision and accounting procedures for checking the security of Property pursuant to Condition 1 of this section.

Property

Monies or goods belonging to You or for which You are legally responsible

Responsible Official

- (a) any of Your directors, partners or executive officers or Your accounting or audit manager(s) or people holding these roles within any subsidiary company whose employees are insured by this policy
- (b) an internal audit inspector accountant or other person responsible for overseeing compliance with standards of supervision, accounting or security

Territorial Limits

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

COVER

If during the Period of Insurance You sustain loss of Property as a direct result of any Fraudulent Act We will indemnify You up to the Sum Insured

Provided that

- (a) You prove to our satisfaction that any Fraudulent Act
 - (i) was committed with the clear intent of making and
 - (ii) resulted in
improper personal financial gain (excluding salaries, fees, commissions and other earnings) for such Insured Person
- (b) Our liability for loss resulting from Fraudulent Act(s) committed during the Period of Insurance will not exceed the Sum Insured stated in the Schedule in respect of the aggregate of all claims

EXTENSIONS

(These Extensions apply to your policy automatically)

1 AUDITORS' FEES

We will indemnify You within the Sum Insured under this Section in respect of auditors' reasonable fees necessarily incurred with Our consent to substantiate the amount of any loss covered under this section

2 RE-WRITING OR AMENDING PROGRAMS

We will indemnify You within the Sum Insured under this Section in respect of the reasonable cost of re-writing or amending software programs or systems where such re-writing or amending is necessary to correct the programs or amend the security codes following the discovery of a loss of Property which is the subject of a valid claim under this section

OPTIONAL EXTENSIONS

(These Extensions apply only if specified in the Schedule. Where any or all of these Extensions are selected, We will indemnify You within the Sum Insured under this Section.)

HE01 COMPUTER CONSULTANTS

The definition of Insured Person shall include any person engaged by You to develop computer systems or programs.

Provided that such person shall be under Your direct control and supervision in all matters in connection with the Business.

HE02 FRAUDULENT COMPUTER USE BY NON-EMPLOYEES

This section is extended to indemnify You in respect of loss of Property as a direct result of fraudulent use of the computer hardware or software programs or systems operated by You within the Territorial Limits

- (a) by any Third Party alone or in collusion with another Third Party during the Period of Insurance and from the operative date of this extension and
- (b) discovered not later than twenty-four months after
 - (i) such loss was caused or commenced to be caused, or
 - (ii) the expiry of this insurancewhichever occurs first

For the purpose of this extension Third Party means any person other than an Insured Person, director, partner or employee of the Insured named in the Schedule

HE03 SUPERSEDED POLICIES

We will indemnify You in respect of any Fraudulent Act committed during the currency of previous fidelity insurance effected by You in respect of any Insured Person

Provided that

- (a) such Fraudulent Act was not discovered within the period allowed by the previous policy
- (b) You have maintained in continuous force fidelity insurance in respect of the relevant Insured Person
- (c) We shall be liable only to the extent that the loss would have been covered by the previous policy had it been in force

HE04 PENSION FUND TRUSTEES

At Your request We will indemnify the Trustees of any Pension Fund or other Employee Benefit Scheme set up to provide benefit to Your employees in respect of any loss of property which the Trustees may incur as a result of any Fraudulent Act as otherwise insured by this insurance committed by any Insured Person or duly appointed Trustee.

HE05 "20/80"

In the event that any claim results from or is contributed to by the failure of any employee or employees to comply with any part of the Minimum Standards of Control, provided You can conclusively demonstrate

- (a) that they had complied with the terms and conditions of this insurance, and
- (b) such failure was without Your knowledge or consent or that of any Responsible Official

then We will pay any claim resulting therefrom but subject to You bearing

- (i) in addition to the Excess, 20% of the amount for which We would otherwise have been liable or
- (ii) £2,500 in all

whichever is greater

If the Minimum Standards of Control are evaded by the actual employee or employees committing the Fraudulent Act without the knowledge of some other person who is a Responsible Official the claim will be payable without deduction subject otherwise to the terms and conditions of this insurance.

CONDITIONS

1 MINIMUM STANDARDS OF CONTROL

It is a condition precedent to Our liability that You maintain the following Minimum Standards of Control and shall not make any change to any of these controls unless We are advised and Our written approval is obtained

1 Auditors

Your accounts, including those of all subsidiary companies, shall be examined by external auditors every twelve months.

2 Cash Receipts

Employees receiving cash and cheques in the course of their duties shall be required to remit all monies received and/or bank in full on the day of receipt.

3 Reconciliation

Bank statements, receipts, counterfoils and supporting documents to be checked monthly against cash book entries independently of employees responsible, and the balance tested with cash and unrepresented cheques. A record is to be kept of all such checks.

4 Cheque Signing

- (a) All manually prepared cheques or other bank instruments shall require two manually applied signatures to be added after the amount has been inserted. No cheque or instrument shall be signed until one signatory has examined the supporting documentation.
- (b) In the case of computer or machine prepared cheques, or other bank instruments, the supporting documentation to justify the amount to be paid shall be examined and

authorised before the requisition for the cheque or instrument is input. All such cheques or instruments shall require one manually applied signature added after the cheque or instrument is prepared. The manual signatory is to be someone other than the person making the cheque requisition.

Your bankers shall be advised of the above requirements as to signatures.

5 Cash and Petty Cash

Cash in hand and petty cash shall be checked independently of employees responsible at least monthly and additionally without warning every six months. A record is to be kept of all such checks.

6 Payroll

In respect of employees not paid by crossed cheque or credit transfer, the cost of the payroll will be subject to an independent check before payment to ensure that the total amount drawn is correct.

7 Stocktaking

There will be a physical check on all Stock and materials held against verified Stock records independent of employees responsible, at intervals of not more than 3 months.

8 Ordering Goods

Employees acting independently shall be responsible for the ordering of Stock and materials, the recording of receipt of deliveries and the authorising of payment for them.

9 Statements of Account

Statements of account for all amounts due will be issued at least monthly and direct to customers, independently of employees receiving or collecting monies. Action by management shall be taken if an account becomes three months overdue.

10 References

References must be obtained to confirm the honesty of any employee engaged after commencement of this Policy who will be responsible for money, goods, accounts, computer operations or computer programming. References shall be obtained directly from former employers for the three years immediately preceding engagement and before the employee is entrusted without supervision

2 APPLICATION OF SUMS INSURED

- (i) Irrespective of the number of Periods of Insurance during which this insurance (and any insurance issued in its place) shall remain in force, Our total liability in respect of any Fraudulent Act shall not exceed the Sum Insured shown in the Schedule.
- (ii) In the event that any Fraudulent Act is caused by two or more employees acting in collusion Our total liability shall not exceed the Sum shown in the Schedule.

3 ONE CONTRACT OF INSURANCE

For all purposes including but not limited to the application of the Sums Insured and consideration of when and how this insurance will respond, all parties named as The Insured in the Schedule shall constitute one Insured and there shall be one contract of insurance between that Insured and Us during the Period of Insurance.

4 REINSTATEMENT OF LIMITS

Immediately following the discovery of a loss resulting in a valid claim the Sum Insured is reduced by the amount of the loss as subsequently ascertained. You having agreed to pay an appropriate additional premium from the date of discovery to the renewal date of this insurance, We will then automatically reinstate the Sum Insured shown in the Schedule. Provided that the amount reinstated shall apply only to

- (a) Insured Persons other than those whose Fraudulent Acts resulted in the claim
- (b) any Fraudulent Act committed subsequent to the date of such reinstatement

5 DEDUCTION FROM LOSS

All monies You hold at the time of loss which belong or are due to an Insured Person who has committed a Fraudulent Act will be deducted from any claim.

6 NOTICE AND PROOF OF CLAIM

It is a condition precedent to Our liability that if You or a Responsible Official or any person with responsibility for supervising staff or undertaking audits becomes aware of a Fraudulent Act or any circumstances which may be the subject of a claim, You shall

- (a) advise Us within seven days of discovery and
- (b) provide Us with any information We may reasonably require within three months of discovery or such additional time as We agree in writing

7 RECOVERIES

Any recoveries (excluding any re-insurance or counter security taken by Us) whether made either by You or Us shall be applied in the following order:

- (a) to reimburse You in full for that part (if any) of the loss which exceeds the Sum Insured (but NOT the amount of any Excess applicable)
- (b) to reimburse Us if payment has already been made or if not to reduce that part of the loss for which We are responsible under this insurance
- (c) finally to reduce that part of the loss for which You are responsible by virtue of any Excess or for which other underwriters may be responsible under any other policies of insurance of which this insurance is in excess

8 REIMBURSEMENT

We shall be entitled at Our expense, in Your name or otherwise, to exercise all rights of action You hold against an Insured Person or third party or that person's estate to obtain reimbursement of any monies which We pay or become liable to pay under this insurance.

EXCLUSIONS

1 CONSEQUENCE OF A FRAUDULENT ACT

Immediately following the date of discovery of a Fraudulent Act We shall no longer be liable for any subsequent Fraudulent Act committed by the same Insured Person(s)

2 LIMITATION OF LIABILITY

We shall not be liable

- (i) where proof of the existence of Property or the amount of any loss is dependent solely upon an inventory computation or a profit and loss computation
- (ii) for loss of interest; penalties; fines; or consequential loss of any kind
- (iii) for the amount of the Excess which unless varied in the Schedule shall be the first £250 of each and every loss

SECTION I - ALL RISKS AWAY FROM THE PREMISES

DEFINITIONS

Outbuildings

Any structure which does not incorporate permanent foundations below ground level and/or which is not capable of being properly secured

Territorial Limits

- 1 Great Britain, Northern Ireland, the Channel Islands or the Isle of Man but excluding the Premises
- 2 The territories described in 1 and anywhere else within the European Union
- 3 Worldwide but excluding the Premises

COVER

In the event of accidental Damage to property as detailed in the Schedule by any accidental cause not otherwise excluded occurring during the Period of Insurance anywhere within the Territorial Limits specified against each item, We will pay You the value of the property or the amount of the Damage or, at our option, replace or reinstate the property.

Provided that Our liability in any one Period of Insurance shall not exceed in respect of any one item its Sum Insured or in the aggregate the Total Sum Insured.

EXTENSIONS

1 AUTOMATIC REINSTATEMENT OF SUM INSURED

In consideration of the insurance not being reduced by the amount of any Damage You shall pay the appropriate extra premium on the amount of the Damage from the date of the Damage to the date of the expiry of the Period of Insurance.

CONDITIONS

1. REINSTATEMENT

N.B. The provisions of these Reinstatement Conditions do not apply to directors', partners', employees', visitors' or customers' personal effects, pedal cycles, tools and instruments.

In the event of the property insured under each item of the Schedule being the subject of Damage by any cause not excluded under this Section, the basis upon which the amount payable under each of the said items of the Schedule is to be calculated shall be the reinstatement of the property which has been the subject of Damage subject to the following Special Provisions.

For the purposes of this clause "reinstatement" shall mean the carrying out of the following work namely:-

- (a) where property is destroyed, its replacement by similar property in a condition equal to but not better or more extensive than its condition when new;
- (b) where property 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.

SPECIAL PROVISIONS

1. The work of reinstatement (which may be carried out in any manner suitable to Your requirements subject to Our liability not being thereby increased) must be commenced and carried out within a reasonable period, otherwise no payment shall be made beyond the amount which would have been payable under the Section if this clause had not been included.
2. When any property insured under this clause is damaged or destroyed in part only, Our liability shall not exceed the sum representing the cost which We could have been called upon to pay for reinstatement if such property had been wholly destroyed.
3. No payment shall be made beyond the amount which would have been payable under the Section if this clause had not been included until the cost of reinstatement has actually been incurred.
4. In respect of each item insured under this clause General Condition 7(f) – Underinsurance is amended to read:-
If the sum insured on any item at the time of reinstatement is less than 85% of the cost of reinstating the whole of the property insured by such item at the time of reinstatement then Our liability shall not exceed that proportion of the amount of the Damage which the said sum insured shall bear to the sum representing the total cost of reinstating the whole of such property at that time.
5. No payment shall be made beyond the amount which would have been payable under this Section if this clause had not been included if at the time of any destruction or damage to any property insured

there is in force any other insurance effected by You or on Your behalf which is not arranged on the identical basis of reinstatement.

6. Where, by reason of any of the above Special Provisions no payment is to be made beyond the amount which would have been payable under the Section if this clause had not been included, the rights and liabilities of both You and Us in respect of the destruction or damage shall be those which would have applied had this clause not been included.

2 NON-INVALIDATION

The insurance of this Section shall not be invalidated by any act, error, omission or alteration unknown to You or beyond Your control whether the risk of Damage is increased or otherwise. Provided that You inform Us immediately You become aware of the act, error, omission or alteration and pay an additional premium if required.

3 SUBROGATION WAIVER

In the event of a claim arising under this Section We agree to waive any rights, remedies or relief to which We might have become entitled by subrogation against any company standing in the relation of Parent to Subsidiary (Subsidiary to Parent) to You or any company which is a Subsidiary of a Parent Company of which You are Yourself a Subsidiary in each case within the meaning of the Companies Act or the Companies (N.I.) Order as appropriate current at the time of Damage.

4 OTHER INTERESTS

We will automatically cover the interests of any third parties You are required to include in this insurance in consequence of any mortgage, hiring, leasing or similar agreement. Provided that You shall advise Us of the name of any interested party and the nature and extent of their interest in the event of Damage.

5 BRAND OR TRADEMARK

In the case of Damage to property bearing a brand or trademark which in any way carries or implies the guarantee or the responsibility of the manufacturers or You, the salvage value of such property that has been the subject of Damage shall be determined after removal in the customary manner of all such brands or trademarks or other identifying characteristics or withdrawal of guarantees or implied responsibilities.

EXCLUSIONS

We will not pay in respect of:

- 1 Damage caused by or consisting of
 - (a) wear and tear; frost; wet or dry rot; dampness or dryness; or any other gradually operating cause
 - (b) corrosion; rust; shrinkage; evaporation; loss of weight; marring; scratching
 - (c) change in:
 - (i) temperature
 - (ii) colour

- (iii) texture, or
 - (iv) finish
- (d)
 - (i) moth
 - (ii) vermin
 - (iii) insects, or
 - (iv) fungal attack

however caused
- (e) inherent vice; latent defect; faulty or defective design or materials
- (f) faulty or defective workmanship; operational error or omission on Your part or the part of any of Your employees
- (g) mechanical or electrical breakdown or derangement of the particular machine apparatus or equipment in which such breakdown or derangement originates

but this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded.

- 2 Damage caused by any kind of seepage or any kind of pollution and/or contamination but this shall not exclude Damage to the property insured specified in the Schedule caused by
 - (a) pollution or contamination which itself results from a Defined Peril
 - (b) a Defined Peril which itself results from pollution or contamination
- 3 Damage by storm, wind, rain, hail, sleet, snow, flood or dust to property in the open
- 4 Theft or attempted theft of property in the open or in Outbuildings
- 5 Damage by theft or attempted theft caused by or in collusion with You or any of Your directors, partners or employees or any member of Your family
- 6 Theft or attempted theft from Unattended Vehicles
- 7 Damage caused by or consisting of acts of fraud dishonesty or deception
- 8 Damage to Money and securities of any description
- 9 Damage caused by or consisting of unexplained disappearance or inventory shortage, misfiling or misplacing of information.
- 10 Damage to the contents of machines unless specified in the Schedule
- 11 Delay, confiscation, requisition, embargo or nationalisation by order of the government or any public authority; loss of market; or any form of consequential loss.
- 12 Damage to property resulting from its undergoing any process of production, packing, treatment, testing, commissioning, servicing, alteration or repair.

- 13 Damage by fire to property caused by its undergoing any process involving the application of heat.
- 14 The cost of maintenance or routine alteration or decoration.
- 15 Property more specifically insured
- 16 Property which is or but for the existence of this policy would be insured under a marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this policy not been effected.
- 17 The amount of the Excess specified in the Schedule.

SECTION J - DETERIORATION OF STOCK

COVER

We will indemnify You in the event of accidental Damage by deterioration, putrefaction or contamination occurring during the Period of Insurance to Stock in refrigeration cabinets or compartments at the Premises caused by:

- (a) rise or fall in temperature as a result of breakdown, stoppage or failure from any inherent cause of the said appliance
- (b) action of refrigerant fumes escaping from the said appliance
- (c) loss of refrigerant
- (d) accidental failure of the electricity and/or gas supply

Provided that Our liability shall not exceed the Sum Insured shown in the Schedule

EXTENSIONS

1 AUTOMATIC REINSTATEMENT OF SUM INSURED

In consideration of the insurance not being reduced by the amount of any Damage You shall pay the appropriate extra premium on the amount of the Damage from the date of the Damage to the date of the expiry of the Period of Insurance.

CONDITIONS

1 MAINTENANCE CONTRACT

It is a condition precedent to Our liability that any appliance which is more than five years old must be maintained under contract with a recognised refrigeration engineer.

2 APPLICATION OF UNDERINSURANCE CONDITION

The Sum Insured under each Item shown on the Schedule is separately subject to General Condition 7(f) - Underinsurance.

3 NON-INVALIDATION

The insurance of this Section shall not be invalidated by any act, error, omission or alteration unknown to You or beyond Your control whether the risk of Damage is increased or otherwise. Provided that You inform Us immediately You become aware of the act, error, omission or alteration and pay an additional premium if required.

4 SUBROGATION WAIVER

In the event of a claim arising under this Section We agree to waive any rights, remedies or relief to which We might have become entitled by subrogation against any company standing in the relation of Parent to Subsidiary (Subsidiary to Parent) to You or any company which is a Subsidiary of a Parent Company of which You are Yourself a Subsidiary in each case within the meaning of the Companies Act or the Companies (N.I.) Order as appropriate current at the time of Damage.

EXCLUSIONS

We will not pay in respect of Damage arising:

- (a) from wear and tear, deterioration or gradually developing flaws or defects in the refrigerating unit
- (b) from the incorrect setting of thermostats or automatic controls
- (c) following the deliberate act of the supply authority or the exercise by such authority of its power to withhold or restrict supply
- (d) from disease or improper storage
- (e) from packaging material or inadequate ventilation
- (f) to Stock that is alive or of a bacterial nature
- (g) to Stock stored in mobile machinery or pressure pipe systems
- (h) to Stock which has exceeded its "Sell by" date
- (i) to the amount of the Excess specified in the Schedule.