

**COMMERCIAL COMBINED
POLICY WORDING**

INDEX

IMPORTANT INFORMATION	3
YOUR RIGHT TO CANCEL	3
TERMINATION	3
MAKING A CLAIM	3
MAKING A COMPLAINT	3
FINANCIAL SERVICE COMPENSATION SCHEME (FSCS)	5
ABOUT OUR REGULATOR	5
HOW WE USE YOUR INFORMATION	6
EMPLOYERS' LIABILITY TRACING OFFICE	7
INTRODUCTION	8
GENERAL DEFINITIONS	9
GENERAL CONDITIONS	11
GENERAL EXCLUSIONS	17
SECTION A - MATERIAL DAMAGE	20
SECTION B - MONEY AND ASSAULT	36
SECTION C - GOODS IN TRANSIT	41
SECTION D - BOOK DEBTS	44
SECTION E - LOSS OF LICENCE	47
SECTION F - BUSINESS INTERRUPTION	52
SECTION G - EMPLOYERS', PUBLIC AND PRODUCTS LIABILITY	64
SECTION H - FIDELITY	75

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.

MAKING A CLAIM

If **you** need to make a claim, or **you** need to inform **us** of an incident or circumstance that may constitute a claim, in the first instance please contact **your** insurance broker who arranged the **policy** for **you**. **Your** insurance broker will be able to supply **you** with the relevant claim form and will inform **us**, and **we** will deal with **your** claim in a fair and impartial way and as quickly as possible.

MAKING A COMPLAINT

What to do if you have a Complaint - Enquiries and Complaints Procedure

ENQUIRIES

POLICY ADMINISTRATION ENQUIRIES

If **you** have any questions or concerns about **your policy** administration and documents, **you** should contact

Choice Insurance Agency Ltd
Suite 3
4a Southchurch Road
Southend-on-Sea
Essex
SS1 2NE

Tel No: 01702 411200
Email: Complaints@ChoiceInsuranceAgency.com

CLAIMS ADMINISTRATION ENQUIRIES

If **you** have any questions or concerns about a claim or its administration, **you** should contact

Kelly Adjusters Limited
Little Seabrooks House
Braintree Road
Felsted
Essex
CM6 3JZ

Tel No: 01371 829276
Email: claims@kellyadjusters.co.uk

HOW TO COMPLAIN

Our aim is to provide all **our** customers with a first-class standard of service. However, there may be occasions when **you** feel this objective has not been achieved. If **you** have a complaint about **your policy** or the handling of a claim, the details below set out some of the key steps that **you** can take to address **your** concerns.

Where do I start?

POLICY ADMINISTRATION ISSUES

If **your** complaint is about the way in which the **policy** was sold to **you** or whether it meets **your** requirements, **you** should contact **your** insurance broker.

Please quote **your policy** number in all correspondence so that **your** concerns may be dealt with speedily.

CLAIMS ADMINISTRATION ISSUES

If **your** complaint is about a claim, **you** should refer the matter to Kelly Adjusters Limited. Their contact details are provided below:

Kelly Adjusters Limited
Little Seabrooks House
Braintree Road
Felsted
Essex
CM6 3JZ

Tel No: 01371 829276
Email: claims@kellyadjusters.co.uk

Alternatively **you** can ask **your** insurance broker to refer the matter on for **you**.

Please quote **your** claim reference and **policy** number in all correspondence so that **your** concerns may be dealt with speedily.

What happens next?

If **your** insurance broker, Choice Insurance Agency Ltd or Kelly Adjusters Limited are not able to resolve **your** complaint satisfactorily by close of business the 3rd working day following receipt of **your** complaint, they will refer **your** complaint to the Head of Compliance at **SCOR Managing Agency Ltd.**, who will send **you** an acknowledgement letter. If **you** don't receive any acknowledgement letter, or at any time if **you** wish to do so, **you** may contact the Head of Compliance yourself by writing to:

SCOR Managing Agency Ltd
10 Lime Street
London
EC3M 7AA
Telephone: 0203 817 5070

E-mail: SYND-complaints@scor.com

We will investigate **your** complaint and will provide **you** with a written response within two weeks of **your** initial complaint. This will either be a final response or a letter informing **you** that **we** need more time for **our** investigation.

In the event that **you** remain dissatisfied with **us** then **you** may refer the matter to the Complaints team at Lloyd's:

The address of the Complaints team at Lloyd's is:

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

Tel No: 020 7327 5693
Fax No: 020 7327 5225
E-mail: complaints@lloyds.com
website: www.lloyds.com/complaints

If you remain unhappy

If **you** remain dissatisfied after Lloyd's has considered **your** complaint, or, in any event, after a period of eight weeks from making **your** complaint, **you** may be able to refer **your** complaint to the Financial Ombudsman Service (contact details below).

Your rights as a customer to take legal action are not affected by the existence or use of the complaints procedure mentioned above. However, the Financial Ombudsman Service may not adjudicate on a case where court proceedings are actively in progress.

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone: **0300 123 9 123** or **0800 0234 567**

Further information is available from them and **you** may refer a complaint to them online at www.financial-ombudsman.org.uk

FINANCIAL SERVICE COMPENSATION SCHEME (FSCS)

We are covered by the Financial Services Compensation Scheme (FSCS). **You** may be entitled to compensation from the scheme if **we** cannot meet **our** obligations. **Your** entitlement to compensation will depend on the circumstances of the claim. Further information about the compensation scheme arrangements is available from the FSCS at:

Financial Services Compensation Scheme ,
PO Box 300, Mitcheldean, GL17 1DY.
Tel: **0800 678 1100** or **02077414100**

website: www.fscs.org.uk

ABOUT OUR REGULATOR

This **policy** of insurance is issued in accordance with the authorisation granted under contract to Choice Insurance Agency Ltd and underwritten by SCOR Managing Agency Ltd.

This **policy** is underwritten by the SCOR Syndicate 2015 which is managed by the SCOR Managing Agency Limited. The SCOR Managing Agency Limited is registered in England and Wales and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Firm Reference Number 605605). The SCOR Managing Agency Limited is registered at 10 Lime Street, London, EC3M 7AA (Company number 08614385).

HOW WE USE YOUR INFORMATION

Data Privacy Notice

Your personal information notice.

Who **we** are

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

The basics

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

This information includes details such as **your** name, address and contact details and any other information that **we** collect about **you** in connection with the insurance cover from which **you** benefit. This information may include more sensitive details such as information about **your** health and any criminal convictions **you** may have.

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

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

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

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

Want more details?

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

Please see: <https://www.scor.com/en/cookies-privacy>

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

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

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** as soon as reasonably practicable of any errors or omissions.

The **schedule** attached to this **policy** 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 conditional to **our** liability. It is important that **you** comply with these conditions 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.

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**



Choice Insurance Agency Ltd

GENERAL DEFINITIONS

(applying to the whole of this policy. Any extra definitions are shown in the section to which they apply)

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

Computer system

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

Damage

Direct physical 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, landslip or heave.

Electronic data

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

Excess

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

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

SCOR Syndicate 2015.

Period of insurance

The period shown in the **schedule** for which **we** accept payment of a premium.

Policy

This document, the **schedule** (including any **schedules** issued in substitution) and any endorsements attaching to this document or the **schedule** that will be considered part of the legal contract and any word or expression in bold type face

on any of these documents will bear the specific meaning stated in these definitions.

The premises

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

Schedule

The document titled schedule that includes the name and address of the **insured**, the premium and other variables to this standard **policy** (including endorsement clauses) and is incorporated in this **policy** of insurance and accepted by the **insured**. Schedules may be re-issued from time to time where each successor overrides the earlier document.

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.

Unattended premises

Any period when **you** are not, on the **premises** or part thereof, keeping the **premises** under observation, in a position to observe any attempt by anyone to interfere with it.

Unoccupied

Any period of time during which **you** and/or **your** tenant are not inhabiting and/or trading from the **premises**.

GENERAL CONDITIONS

(applying to the whole of this **policy**. Any extra conditions are shown in the section to which they apply)

OBSERVANCE OF TERMS

1. **You** must at all times observe the terms of this **policy**. These are the conditions of the insurance that **you** must comply as **your** part of this contract. If **you** do not meet these conditions, **we** may need to reject a claim payment or a claim payment could be reduced. In some circumstances **your policy** may not be valid.

IMPORTANT INFORMATION YOU HAVE GIVEN US

2. In deciding to accept this **policy** and in setting the terms including premium **we** have relied on the information which **you** have provided to **us**. **You** must take care when answering any questions **we** ask by ensuring that any information provided is accurate and complete.

If **we** establish that **you** deliberately or recklessly provided **us** with untrue or misleading information **we** will have the right to:

- a) treat this **policy** as if it never existed;
- b) decline all claims; and
- c) retain the premium.

If **we** establish that **you** carelessly provided **us** with untrue or misleading information **we** will have the right to:

- i) Treat this **policy** as if it never existed, refuse to pay any claim and return the premium **you** have paid, if **we** would not have provided **you** with cover;
- ii) treat this **policy** as if it had been entered into on different terms from those agreed, if **we** would have provided **you** with cover on different terms;
- iii) reduce the amount **we** pay on any claim in the proportion that the premium **you** have paid bears to the premium **we** would have charged **you**, if **we** would have charged **you** more.

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 terminate the **policy** provided that:

- (i) such alteration is not of such a nature that if the alteration had occurred prior to the commencement of 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 or circumstances which may give rise 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 Choice Insurance Agency Ltd, Suite 3, 4a Southchurch Road, Southend-on-Sea, Essex, SS1 2NE confirming such cancellation.

Provided there have been no claims **we** will refund a proportionate part of **your** premium, unless Section G of **your policy** has been arranged on a 'minimum and deposit' basis in which case no refund is due in respect of the premium for that Section.

Our Rights

We may cancel this insurance by sending **you** thirty days notice of cancellation to **your** insurance intermediary or **your** address shown in the **schedule**, 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. You must:-

- (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) **You** must:
- (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 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 must be a condition 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 incident or circumstance 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 OBLIGATIONS

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.

SUBJECTIVITIES

10. **You** must
- (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

11. **We** shall not provide any benefit under this contract of insurance to the extent of providing cover, payment of any claim or the provision of any benefit where doing so would breach any sanction, prohibition or restriction imposed by law or regulation.

SEVERAL LIABILITY

12. The liability of the insurers is several and not joint and is limited solely to the extent of their individual proportions. The insurers are not responsible for the subscription of any co-subscribing insurer or any other insurer or co-insurer who for any reason does not satisfy all or part of its obligations.

FRAUD

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

Fraudulent claims – group insurance

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

GENERAL EXCLUSIONS

(The following exclusions apply to the whole of this policy. Each section will also have additional exclusions)

1 RADIOACTIVE CONTAMINATION AND NUCLEAR ASSEMBLIES

We will not pay for:

1. loss or destruction of or damage to any property whatsoever, or any loss or expenses whatsoever resulting or arising therefrom;
2. 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

We will not pay for **damage** directly caused by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

3 WAR & SIMILAR RISKS

- (a) **We** will not pay for **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) **We** will not also not pay for **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 AND DATA

We will not pay for any:

- (a) Cyber
loss, damage, liability, cost or expense caused deliberately or accidentally by:
 - i. the use of or inability to use any application, software, or programme;
 - ii. any computer virus;
 - iii. any computer related hoax relating to i and/or ii above.
- (b) Electronic data
loss, damage, cost, expense or liability for damage to any **electronic data** wherever it is stored.

Employers, public and products Liability

In respect of the employers, public and products liability sections of this **policy** (where applicable) paragraph (a) above shall not apply in respect of liability for

- (i) any ensuing third party **injury**
- (ii) any ensuing physical damage to third party property;
- (iii) any ensuing **injury** to an **employee**;

5 TERRORISM

Not applicable to Section G

We will not pay for **damage** cost or expense of whatsoever nature occasioned by or happening through or in consequence directly or indirectly of

- (a) **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss and
- (b) in Northern Ireland
 - (i) riot civil commotion
 - (ii) strikers, locked-out workers or persons taking part in labour disturbances or malicious persons but this shall not apply to **damage** by fire or explosion

We will also not pay for **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**.

In any action suit or other proceedings where **we** allege that by reason of this definition any **damage** is not covered by this insurance (or is covered only up to a specified limit of liability) the burden of proving that such **damage** is covered (or is covered beyond a specified limit of liability) shall be upon **you**.

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

6 INFECTIOUS OR CONTAGIOUS DISEASE

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

We will not pay for any loss, damage, liability, cost or expense, in any way caused by or resulting from:

- (a) infectious or contagious disease;
- (b) any fear or threat of a) above; or
- (c) any action taken to minimise or prevent the impact of a) above.

Infectious or contagious disease means any disease capable of being transmitted from an infected person, animal or species to another person, animal or species by any means.

7 MICRO-ORGANISM

We will not pay for any loss, damage, claim cost, expenses or other sum directly or indirectly arising out of or relating to:

Mould, mildew, fungus, spores or other micro-organism of any type, nature or description, including but not limited to any substance whose presence poses an actual threat to human health.

This exclusion applies regardless whether there is:

- (i) Any physical loss or damage to the **premises**
- (ii) Any insured peril or cause, whether or not contributing concurrently or in any sequence
- (iii) Any one loss, occupancy or functionality
- (iv) Any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation or steps taken to address medical or legal concerns

8 NUCLEAR, BIOLOGICAL AND CHEMICAL CONTAMINATION

We will not pay for:

- (i) loss or destruction of or damage to any property or any resulting loss or expense or any loss of use or any legal liability directly or indirectly caused by or arising from;
- (ii) any legal liability of whatsoever nature;
- (iii) death or injury to any person;

directly or indirectly caused by or contributed to by or arising from nuclear, biological or chemical contamination due to or arising from;

- (a) **terrorism**; and/or
- (b) steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, threatened, suspected or perceived **terrorism**.

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
- (d) concrete, paved or asphalt roads, yards, vehicle parks, pavements or paths for which **you** are legally responsible for
- (e) outdoor tennis courts and swimming pools
- (f) fixed glass, sanitaryware and signs
- (g) walls, gates and fences

all **your** property or for which **you** are legally 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) 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
- (f) 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.

The Excess in respect of these items is £25 any one loss.
- (g) Wines, spirits, cigarettes and tobacco held for entertainment purposes for an amount not exceeding £250 any one claim.
- (h) 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 legally responsible but excluding any property which is more specifically insured.

COVER

In the event of **damage** to the property insured described in the **schedule** which occurs at the **premises** during the **period of insurance** by any 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 the Total sum insured or in respect of any one item its sum insured.

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, in the event of **damage**.
 - (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

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.

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 total 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 the lesser
- 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
 - (4) arising from pollution, exposure to infectious agents or materials or contaminations of property not insured by this **policy**

- 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 legally 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 cover **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) **we** are satisfied that the **damage** has been avoided or reduced in consequence of the measures taken
- (c) the terms, conditions and exclusions of this insurance shall apply as if **damage** had occurred
- (d) 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 loss or series of losses arising out of any one event

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 shall not exceed £10,000 in respect of any one claim.

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 legally 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 total 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** written consent) in making temporary repairs and erecting temporary buildings and/or contents following **damage** by any cause not otherwise excluded, subject to a limit of £25,000

22 EXHIBITIONS

This insurance extends to cover **damage** by any cause not otherwise excluded 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 cover **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 of such theft. 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)

The cover 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

(These are the conditions of the insurance that **you** must comply, as **your** part of this contract. If **you** do not meet these conditions, **we** may need to reject a claim payment or a claim payment could be reduced. In some circumstances **your policy** may not be valid.)

1 NOTICE OF OCCUPANCY

You must tell **us** as soon as reasonably practicable 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

You must ensure 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

In respect of any installation or installations of Automatic Sprinklers, **you** must:

1. maintain such installation in good working order
2. 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 as soon as reasonably practicable 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

You must ensure that all security devices provided to protect the **premises** are properly fitted and put into full operation where there are **unattended premises**.

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

You must ensure 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 there are **unattended premises**.

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) mould
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) 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) sudden and accidental pollution or contamination which itself results from a **defined peril**
 - (b) a **defined peril** which itself results from sudden and accidental 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 entry/exit which has resulted in physical damage to the **buildings** and/or to the security devices, 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**
- 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 **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; loss of use or any form of consequential loss
- 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 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.
 - (f) transmission and distribution lines beyond 300 metres of the **premises**
- 21 The amount of the Excess specified in the **schedule**

- 22 **damage** caused by any of the following whilst any of the **buildings** is **unoccupied**:
- (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
 - (c) Theft or attempted theft
- 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 cover **you** up to the Limits and sum insured stated in the **schedule** or shown under item 3) below, during the **period of insurance**, against

- 1) physical loss of **non negotiable documents** from any cause not otherwise excluded
- 2) physical loss of **money** from any cause not otherwise excluded 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

These are the conditions of the insurance that **you** must comply, as **your** part of this contract. If **you** do not meet these conditions, **we** may need to reject a claim payment or a claim payment could be reduced. In some circumstances **your policy** may not be valid.

1. RECORD KEEPING

you must

- (a) keep a complete, accurate and up-to-date record of the **money** and **non negotiable documents**; and
- (b) deposit such record in a secure place other than in the safes and strongrooms containing the **money** and **non negotiable documents**;

2. KEYS

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

You must ensure 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

You must ensure that whenever there are **unattended premises** 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.
7. Loss of use

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

These are the conditions of the insurance that **you** must comply, as **your** part of this contract. If **you** do not meet these conditions, **we** may need to reject a claim payment or a claim payment could be reduced. In some circumstances **your policy** may not be valid.

- 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 as soon as reasonable 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 the subject of **damage** not otherwise excluded 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 **damage** not otherwise excluded 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 **damage** not otherwise excluded 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 total in respect of any one claim.

CONDITIONS

These are the conditions of the insurance that **you** must comply, as **your** part of this contract. If **you** do not meet these conditions, **we** may need to reject a claim payment or a claim payment could be reduced. In some circumstances **your policy** may not be valid.

1 UNDERINSURANCE

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

2 PROTECTIONS

You must ensure 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

You must ensure that **your vehicle** 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; loss of use 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 close as is 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 any cause not otherwise excluded;
- (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

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

These are the conditions of the insurance that **you** must comply, as **your** part of this contract. If **you** do not meet these conditions, **we** may need to reject a claim payment or a claim payment could be reduced. In some circumstances **your policy** may not be valid.

1 FIRE RESISTANT SAFES

You must ensure 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

You must ensure 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 cover **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

These are the conditions of the insurance that **you** must comply, as **your** part of this contract. If **you** do not meet these conditions, **we** may need to reject a claim payment or a claim payment could be reduced. In some circumstances **your policy** may not be valid.

- 1 **you** must 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 **licence**and 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 **you** must ensure that, 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
 - (xi) any alteration after the start of the period of insurance of the law governing the suspension, withdrawal or renewal of licences unless **we** confirm in writing that the insurance will apply after such alteration.

- 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

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 with the **business** in consequence of **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 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 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 the **business** following **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 the **business** following **damage** to property within 1(one) mile of the **premises** which prevents 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

Even if Exclusion 1 of Section A applies, **we** will pay for loss resulting from interruption of 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 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 **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 covered 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

Even if Exclusion 1 of this section applies, **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 MURDER, SUICIDE, FOOD OR DRINK POISONING

We will cover **you** for loss resulting from directly from interruption with the **business** carried on by **you** on the **premises** in consequence of:

- (a) murder or suicide occurring on the **premises**;
- (b) 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**;
- (c) closing of the whole or part of the **premises** by the order or on the advice of a statutory Public Authority as a result of:-
 - (i) defects in the drains or other sanitary arrangements ~~in~~ on the Premises
 - (ii) the **premises** becoming infested with vermin or pests.

Special Provision

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 interruption beginning:-

- (i) in the case of (a) and (b), above, with the occurrence or discovery of the incident;
- (ii) in the case of (c) above, with the date from which the restrictions on the **premises** are applied

and ending not later than 12 weeks thereafter.

We will not pay any claim that is directly or indirectly caused by or arises from, or is in consequence of or contributed to the cleaning, repairing or checking of your **premises**.

FE04 PREVENTION OF ACCESS – NON DAMAGE

We will cover **you** for loss resulting from interruption with the **business** carried on at the **premises** in consequence of access to the **premises** being prevented by the action or instructions of the Police or other statutory body in closing down or sealing off of the **premises** or property within 1(one) mile of the **premises** due to

- (a) occupation of the **premises** or other property within 1(one) mile by terrorists
- (b) unlawful occupation of the **premises** or other property within 1(one) mile, 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 within 1(one) mile of the **premises**

Provided that

- (i) **we** shall not be liable under this Extension for any incident where access to the **premises** is 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 communicable disease
- (iv) **we** shall not be liable in respect of any loss arising from any cause within the control of the **insured**

The period of Indemnity starts when access to the **premises** starts being prevented by the action or instructions of the Police or other statutory body and ends at 12 months

FE05 PATTERNS

We will cover **you** for loss resulting from interruption of the **business** as a result of **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 cover **you** for loss resulting from interruption of the **business** as a result of **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 cover **you** for loss resulting from interruption of the **business** as a result of **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 cover **you** for loss resulting from interruption of the **business** as a result of **damage** at any third-party premises 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 cover **you** for loss resulting from interruption of the **business** as a result of **damage** at any third party premises 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 cover **you** for loss resulting from interruption of the **business** as a result of **damage** to property within 1(one) mile radius of the **premises** which shall cause **you** loss of custom directly due to loss of services and facilities within 1(one) mile radius of the **premises** whether the **premises** or **your** property are the subject of **damage** or not.

FE11 SPECIFIED SUPPLIERS

We will cover **you** for loss resulting from interruption of the **business** as a result of **damage** at the premises of those suppliers detailed in the **schedule**.

FE12 UNSPECIFIED SUPPLIERS

We will cover **you** for loss resulting from interruption of the **business** as a result of **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 cover **you** for loss resulting from interruption of the **business** as a result of **damage** at the premises of those customers detailed in the **schedule**.

FE14 UNSPECIFIED CUSTOMERS

We will cover **you** for loss resulting from interruption of the **business** as a result of **damage** at the premises of any of **your** customers in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

CONDITIONS

(The following Conditions apply to this section)

These are the conditions of the insurance that **you** must comply, as **your** part of this contract. If **you** do not meet these conditions, **we** may need to reject a claim payment or a claim payment could be reduced. In some circumstances **your policy** may not be valid.

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 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**.

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 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 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

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) sudden and accidental pollution or contamination which itself results from a **defined peril**
- (b) a **defined peril** which itself results from sudden and accidental pollution or contamination

SECTION G - EMPLOYERS', PUBLIC AND PRODUCTS LIABILITY

DEFINITIONS

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**

Injury

Physical injury, death, illness and resultant mental injury, disease, mental anguish or nervous shock

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 **electronic 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 cover **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
- (b) elsewhere in the world in respect of temporary business visits undertaken by any **employee** normally resident in the territories defined in (a) above provided such person is engaged in non-manual work

COVER

We will cover **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 cover **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 cover **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 cover 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 cover 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 cover **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 DEFECTIVE PREMISES ACT (Applicable to Sub Section 2)

We will cover **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

- 8 MOTOR CONTINGENT LIABILITY (Applicable to Sub Section 2)**
Even if Exclusion 6 of this Section applies, this insurance will cover **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
- 9 OVERSEAS PERSONAL LIABILITY (Applicable to Sub Section 2)**
We will cover **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 All Sub Sections)

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 cover 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 cover **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 All Sub Sections)

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**

This exclusion will not apply to damages payable by **you**:

- (i) under sub-section 1 up to a limit of £5,000,000, including all costs and expenses, for any one claim or series of claims against **you** arising out of any one cause.
- (i) under sub-section 2 up to a limit of £2,000,000, or any other amount specified in the **schedule** for Public Liability, whichever is the lesser, in total for all claims against **you** occurring in any one **period of insurance**.

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 Sections 1 and 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 cover **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 all Sub Sections)

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 all Sub Sections)

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 cover **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 inimproper 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 total of all claims

EXTENSIONS

(These Extensions apply to **your policy** automatically)

1 AUDITORS' FEES

We will cover **you** within the sum insured under this Section in respect of auditors' reasonable fees necessarily incurred with **our** written consent to substantiate the amount of any loss covered under this section

2 RE-WRITING OR AMENDING PROGRAMS

We will cover **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 cover **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 PENSION FUND TRUSTEES

At **your** request **we** will cover 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.

HE03 "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

These are the conditions of the insurance that **you** must comply, as **your** part of this contract. If **you** do not meet these conditions, **we** may need to reject a claim payment or a claim payment could be reduced. In some circumstances **your policy** may not be valid.

1 MINIMUM STANDARDS OF CONTROL

You must 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 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.

6 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.

7 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.

8 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.

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 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

4 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.

5 NOTICE AND PROOF OF CLAIM

You must ensure 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

6 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

7 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 **damage** to moveable property as detailed in the **schedule** by any 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 the Total sum insured or in respect of any one item its 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 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 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 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**.

3 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**.

4 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 cover **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

These are the conditions of the insurance that **you** must comply, as **your** part of this contract. If **you** do not meet these conditions, **we** may need to reject a claim payment or a claim payment could be reduced. In some circumstances **your policy** may not be valid.

1 **MAINTENANCE CONTRACT**

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 **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 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**.

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**.