



Kay International
Insurance & Reinsurance

Commercial Policy Document

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SECTION A

MATERIAL DAMAGE

INSURING CLAUSE

Subject to the General Conditions and Exclusions of this Certificate, and the conditions and exclusions contained in this Section, we the Underwriters agree to the extent and in the manner provided herein to indemnify the Assured against loss of or damage to the property specified in the Schedule (hereinafter referred to as 'the Property') caused by or arising from the Perils shown as operative in the Schedule, occurring during the period of this Insurance.

Underwriters shall not be liable for more than the Sum Insured stated in the Specification or in the Certificate in respect of each loss or series of losses arising out of one event at each location as stated in the Schedule.

PERILS AND SPECIFIC EXCLUSIONS

- 1) a) Fire and/or Lightning
b) Fire consequent upon explosion wherever the explosion occurs.
- 2) Storm or Tempest excluding
 - a) Loss, destruction or damage by:
 - i) The escape of water from the normal confines of any natural or artificial water course or lake, reservoir, canal or dam.
 - ii) Inundation from the sea.
 - b) Loss, destruction or damage caused by frost, subsidence or landslip.
 - c) Loss, destruction or damage to fences and gates, and movable property in the open.
- 3) Flood excluding
 - a) Loss, destruction or damage by frost, subsidence or landslip.
- 4) Bursting or Overflowing of Water Tanks, Apparatus or Pipes excluding
 - a) Loss, destruction or damage by water discharged or leaking from an installation of automatic sprinklers.
 - b) Repairs to pipes, mains and tanks.

However this insurance shall not cover bursting or overflowing or leakage of water tanks apparatus or pipes occurring whilst the premises are vacant or unoccupied but this exclusion shall not apply whilst the premises are normally closed for holidays or weekends.
- 5) Impact by any Vehicle (or by goods falling there from) or Animal.
- 6) Explosion excluding
 - a) Loss, destruction or damage (other than loss, destruction or damage by fire resulting from explosion) occasioned by the bursting of a boiler (not being a boiler used for domestic purposes only), economiser or other vessel, machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Assured.
- 7) Aircraft and other aerial devices or articles dropped there from, excluding
 - a) Loss, destruction or damage occasioned by pressure waves caused by aircraft and
 - b) Other aerial devices travelling at sonic or supersonic speeds.
- 8) Riot, Civil Commotion, Strikers, Locked-out Workers or Persons taking part in Labour Disturbances excluding
 - a) Loss, destruction or damage occasioned by or happening through confiscation or destruction or requisition by order of the Government or any Public Authority.
 - b) Loss, destruction or damage resulting from interruption or cessation of work.
- 9) Malicious Persons not acting on behalf of or in connection with any political organisation excluding
 - a) Loss, destruction or damage resulting from interruption or cessation of work.
 - b) Loss, destruction or damage by fire or theft.
- 10) Earthquake
- 11) Water Discharged or Leaking from the Automatic Sprinkler Installation(s) in the Premises provided that
 - a) Such discharge or leakage of water be accidental and shall not be occasioned by or happen through:
 - i) Freezing whilst the premises in the Assureds ownership and/or tenancy are empty or disused.
 - ii) Heat caused by fire.
 - iii) Explosion (including the blowing up of buildings or blasting), earthquake or subterranean fire.
 - b) The Assured shall take all reasonable steps to prevent frost and other damage to the automatic sprinkler installation(s) and, so far as their responsibility extends to maintain the installation(s) including the automatic external alarm signal(s) in efficient condition.
 - c) When any changes, repairs or alterations to the automatic sprinkler installation(s) are proposed notice thereof is to be given to the Underwriters.

- 12) Theft or Attempted Theft
- a) Following entry into or exit from the Premises by forcible and violent means only and/or
 - b) Consequent upon and in connection with assault or violence or threat thereof to the Assured or any employee of the Assured.
- Excluding loss, destruction or damage:
- i) To property in any yard or open space.
 - ii) By fire or explosion.
 - iii) To glass which is more specifically insured.
 - iv) To money, medals, documents of title.
- This Insurance shall also include loss, damage to or destruction of the buildings or fixtures and fittings, the property of the Assured or for which the Assured is legally responsible, during such theft or attempted theft, up to a limit of 10% of the Sum insured stated in the Schedule in respect of the damaged premises.
- 13) Accidental Damage
- Caused by or arising from any cause whatsoever not otherwise named as an Insured Peril herein, but excluding:
- a) Loss, destruction or damage caused by:
 - i) Inherent vice, latent defect, gradual deterioration, wear and tear, frost, its own faulty or defective design or materials.
 - ii) Faulty or defective workmanship, operational error or omission on the part of the Assured or any of their employees.
 - iii) Explosion occasioned by the bursting of a boiler, economiser vessel, machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Assured but this exclusion shall not apply to loss or damage resulting from an ensuing cause which is not otherwise excluded.
 - b) Loss, destruction or damage caused by:
 - i) Corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects.
 - ii) Change in temperature, colour, flavour, texture or finish.
 - iii) Theft or attempted theft other than damage to the buildings (including landlord's fixtures and fittings) of the premises for which the Assured is responsible and which is not otherwise insured.
 - iv) Joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, super heaters, pressure vessels or any range of steam and feed piping in connection therewith.
 - v) Mechanical or electrical breakdown or derangement of machinery or equipment.
 - c) Loss, destruction or damage caused by:
 - i) Acts of fraud or dishonesty.
 - ii) Disappearance unexplained or inventory shortage, misfilling or misplacing of information.
 - d) Collapse or cracking of any building or structure unless such collapse or cracking can be attributed to an independent cause not excluded by this Insurance.
 - e) Loss, destruction of or damage to movable property in the open, fences and gates by wind, rain, hail, sleet, snow, flood or dust.
 - f) Loss, destruction or damage resulting from the property insured undergoing any process of production, packing, treatment, testing, commission, servicing or repair.
 - g) Loss of or damage to:
 - i) Fixed glass.
 - ii) Glass (other than fixed glass), china, earthenware, marble or other fragile or brittle objects.
 - iii) Electronic Data Processing Equipment and Media.
 - h) Loss, destruction or damage to:
 - i) Jewellery, precious stones, precious metals, bullion, furs, curiosities, works of art and rare books.
 - ii) Property in transit.
 - iii) Money, cheques, stamps, bonds, credit cards or securities of any description.
 - iv) Vehicles licensed for road use (including accessories thereon) caravans, trailers whilst being used outside the confines of the premises, railway locomotives, rolling stock, watercraft or aircraft.
 - v) Property or structures in the course of construction or erection and materials supplied in connection with all such property in the course of construction or erection.
 - vi) Roads, pavements, piers, jetties, bridges, culverts or excavations.
 - vii) Livestock, growing crops or trees.
 - viii) Land, air and water.
- Unless specifically declared to and agreed by the Underwriters and endorsed upon this Insurance.

SPECIAL CONDITIONS APPLICABLE TO SECTION A – MATERIAL DAMAGE

- 1) This Section does not cover:
 - a) Loss, destruction or damage attributable solely to change in the water table level.
 - b) Notwithstanding anything to the contrary contained herein, this Section does not cover loss, destruction or damage caused by pollution or contamination except (unless otherwise excluded) destruction of or damage to the property insured caused by:
 - i) Pollution or contamination which itself results from fire, lightning, explosion, aircraft or other aerial devices or articles dropped there from, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, bursting overflowing discharging or leaking of water tanks apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal.
 - ii) Any of the perils listed in (i) above which itself results from pollution or contamination.
- 2) Where buildings are covered by this Insurance and an amount has been so entered in the Schedule, Underwriters agree, in addition to provide coverage in respect of the following:
 - a) The cost of repairing accidental damage to fuel oil or the underground water supply or gas pipes, electricity or telephone cables extending from the buildings to the public mains.
 - b) Accidental breakage or collapse of radio and television aerials, their fittings and masts.
 - c) Accidental breakage of sanitary fixtures forming part of the buildings, excluding:
 - i) The excess as shown in policy schedule each and every loss.
 - ii) Loss, destruction or damage whilst the buildings are unoccupied.
 - iii) Breakage of property not in sound condition.Provided that the Sum Insured for the building is not thereby increased.
- 3) The Underwriters will not be liable under this Section of the Policy for destruction of or damage to electrical plant or apparatus caused by self-ignition, but this exclusion shall only apply to that part of the electrical plant or apparatus in which self-ignition occurs.

MEMORANDA IN RESPECT OF SECTION A – MATERIAL DAMAGE

- 1) Designation of Property
For the purpose of determining where necessary the heading under which any property is insured, Underwriters agree to accept the designation under which such property has been entered in the Assureds books.
- 2) Average Clause (under-insurance)
If the property covered shall at the breaking out of any fire or at the commencement of any destruction of or damage to such property by any other peril hereby insured against be collectively of greater value than such Sum Insured, then the Assured shall be considered as being their own Insurer for the difference and shall bear a rateable share of the loss accordingly.
- 3) Architects' . Surveyors' . Legal and Consulting Engineer's Fees
This Insurance covers Architects', Surveyors', Legal, Consulting Engineers', and other Fees necessarily incurred by the Assured in the reinstatement of the property insured following upon its destruction or damage by any peril hereby insured against (but not any fees for the preparation of a claim or estimate of loss) not exceeding the amounts authorised under the Scales of the various Institutions regulating such charges prevailing at the time of the destruction or damage.
- 4) Reinstatement
It is hereby agreed that in the event of the property insured under Item number 1 of this Section of the Certificate being lost, destroyed or damaged by any peril insured hereunder the basis upon which the amount payable under each of the said Items of the Certificate is to be calculated shall be the reinstatement of the property lost, destroyed or damaged subject to the following special provisions and subject also to the terms and conditions of the Certificate except in so far as the same may be varied hereby. For the purpose of the insurance under this Memorandum 'reinstatement' shall mean:
 - a) The carrying out of the following work, namely,
 - i) Where property is lost or destroyed, the rebuilding of the property, if a building, or, in the case of other property, its replacement by similar property, in either case in a condition equal to but not better or more extensive than its condition when new.
 - ii) Where property 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 as new.
 - b) In respect only of goods sold but not delivered for which the Assured are responsible and with regards to which under the conditions of sale, the sale contract is by reason of the destruction or damage cancelled, either wholly or the extent of the loss or damage, the liability of the Underwriters shall be based on the contract price and for the purpose of Average the value of all good to which the Memorandum would in the event of loss or damage be applicable shall be ascertained on the same basis.
- 5) Special Provisions
 - a) The work of reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the Assured subject to the liability of the Underwriters not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount which would have been payable under the Policy if this Memorandum had not been incorporated therein shall be made.
 - b) Where any property insured under this memorandum is lost, damaged or destroyed in part only, the liability of the Underwriters shall not exceed the sum representing the cost which the Underwriters could have been called upon to pay for reinstatement if such property had been wholly destroyed.
 - c) No payment beyond the amount which would have been payable under the Policy if this memorandum had not been incorporated therein shall be made until the cost of reinstatement shall have been actually incurred.

- d) No payment beyond the amount which would have been payable under the Policy if this Memorandum had not been incorporated therein shall be made, if at the time of any loss or destruction of/ or damage to any property insured hereunder, such property shall be covered by any other insurance effected by or on behalf of the Assured, which is not upon the identical basis of reinstatement set forth herein.
- e) 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 Policy if this Memorandum had not been incorporated therein, the rights and liabilities of the Underwriters and the Assured in respect of the destruction or damage shall be subject to the Terms and Conditions of the Policy, including any Condition of Average therein.
- 6) **Public Authorities**
 The insurance by this Policy extends to include such additional cost of reinstatement of the property hereby insured which has been lost, destroyed or damaged by any peril hereby insured against, as may be incurred solely by reason of the necessity to comply with Buildings or other Regulations under or framed in pursuance of any ACT of PARLIAMENT or with BYE-LAWS of any MUNICIPAL or LOCAL AUTHORITY provided that:
- a) The amount recoverable under this Memorandum shall not include:
- i) The cost incurred in complying with any of the aforesaid Regulations or Bye-Laws:
 - (a) In respect of loss, destruction or damage occurring prior to the granting of this Extension.
 - (b) In respect of loss, destruction or damage not insured by this section of the Policy.
 - (c) Under which notice has been served upon the Assured prior to the happening of the destruction or damage.
 - (d) In respect of undamaged property or undamaged portions of the property.
 - ii) The additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new, had the necessity to comply with any of the aforesaid Regulations or Bye-Laws not arisen.
 - iii) The amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid Regulations or Bye-Laws.
- b) The work of reinstatement must be commenced and carried out with reasonable despatch and in any case must be completed within twelve months after the loss, destruction or damage or within such further time as the Underwriters may (during the said twelve months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Regulations or Bye-Laws so necessitate) subject to the liability of the Underwriters under this Memorandum not being thereby increased.
- c) If the liability of the Underwriters under any item of the Policy apart from this Memorandum shall be reduced by the application of any of the terms and conditions of the Policy then the liability of the Underwriters under this Memorandum in respect of any such item shall be reduced in like proportion.
- d) The total amount recoverable under any item of the Policy shall not exceed the Sum Insured thereby.
- e) All the Terms and Conditions of the Policy except insofar as they may be hereby expressly varied shall apply as if they had been incorporated herein.
- 7) **Removal of Debris**
 It is understood that the insurance provided by this Section of the Policy includes costs and expenses necessarily incurred by the Assured with the consent of the Underwriters in:
- a) Removing debris
 - b) Dismantling and/or demolishing.
 - c) Shoring up or propping of the portion or portions of the property insured by the said Items destroyed or damaged by fire or by any other peril hereby insured against.
- Underwriters will not pay for any cost or expenses:
- i) Incurred in removing debris except from the site of such property lost, destroyed or damaged and the area immediately adjacent to such site.
 - ii) Arising from pollution or contamination of property not insured by this Policy.
- 8) **Subrogation Waiver**
 In the event of a claim arising under this Policy, the Underwriters agree to waive any rights, remedies or relief to which they might become entitled by subrogation against:
- (a) Any Company standing in the relation of Parent to Subsidiary to the Assured as defined in Section 154 of the Companies Act 1948.
 - (b) Any Company standing in the relation of Subsidiary to Parent to the Assured as defined in Section 154 of the Companies Act 1948.
 - (c) Any Company which is a Subsidiary of a Parent Company of which the Assured are themselves a Subsidiary in each case within the meaning of Section 154 of the Companies Act 1948.
- 9) **Other Interests**
 The interest of other parties in this insurance is noted, it being understood that in the event of loss, the nature and extent of such other interests will be disclosed by the Assured.
- 10) **Non-Invalidation**
 This insurance shall not be invalidated by any change of occupancy or increase of risk taking place in the described premises without the knowledge of the Assured provided that they shall, immediately upon the same coming to their knowledge, given notice thereof to the Underwriters and pay such additional premium as may be required from the date of such increase of risk.
- 11) **Workmen**

Workmen may be employed for the purpose of making alterations, repair, general maintenance and the like in all or any of the buildings at the premises without prejudice to the insurance hereby. The Assured is to give prior notice to Underwriters and confirm that adequate liability insurance is held by the contractors.

- 12) Customers Goods
The Assured having intimated to their Customers that they will accept responsibility for destruction or damage by fire to Goods the property of such Customers or for which the said Customers may be legally responsible whether manufactured by them or not; upon which work is or is to be done on behalf of Customers or which may be left in the Assureds hands for storage or despatch or otherwise temporarily in the Assureds custody, it is hereby declared and agreed that all such goods in said buildings shall be held to be insured by the Item of this Policy covering Stock in Trade except insofar as they shall be more specifically otherwise insured.
- 13) Extensions
Except where specifically insured the buildings and/or contents:
 - a) Outbuildings, annexes, gangways, conveniences and external hoists.
 - b) Extensions communicating with any of the building(s) described herein.are insured under the respective Item(s) applying to the building(s) and/or contents to which such property is attached or belongs.
- 14) Tenants Improvements
The insurance by each Item on buildings and machinery is understood to include tenants' improvements, alterations and decorations for which the Assured is responsible.
- 15) Services
The insurance on buildings, machinery and plant extends to include telephone, gas, water and electricity instruments, meters, drains, piping, cables and the like, and accessories thereof including such property for which the Assured are responsible which is underground and/or partly or wholly serves to supply the described premises.

OPTIONAL EXTENSIONS

The following Extensions shall apply only where specified in the Specifications. Where there is any conflict between the terms of an Extension and any Condition, Exclusion or Memorandum of this Section of the Policy, then the terms of the Extension shall prevail.

- 1) Day One Basis (Non Adjustable)
Applicable to buildings and machinery if shown as operative in the Specification.
 - a) The Assured having stated in writing the Declared Value incorporated in each item to which this Memorandum applies the premium has been calculated accordingly. Declared Value shall mean the Assureds assessment of the cost of reinstatement of the property insured, arrived at in accordance with paragraph (a) of the Reinstatement Memorandum 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 items provides due allowance for:
 - i) The additional cost of reinstatement to comply with Public Authorities requirements.
 - ii) Professional Fees.
 - iii) Removal of Debris.
 - b) At the inception of each Period of Insurance, the Assured shall notify the Underwriters of the Declared Value of the property insured by each of the said item(s). In the absence of such declaration the last amount declared by the Assured shall be taken as the Declared Value for the ensuing Period of Insurance.
 - i) Memorandum 2 is restated as follows:
AVERAGE
If at the time of loss, destruction or damage the Declared Value of the property covered by such Item(s) be less than the cost of reinstatement (as defined in paragraph 1 of the Day One Basis Memorandum) at the inception of the Period of Insurance then the Underwriters' liability for any damage hereby insured shall be limited to that proportion thereof which the Declared Value bears to such cost of reinstatement.
 - ii) Special Provision E of Memorandum 4 is restated as follows:
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 Memorandum had not been incorporated therein the rights and liabilities of the Underwriters and the Assured in respect of the damage shall be subject to the terms of this Section including any condition of average herein as if this Memorandum had not been incorporated herein except that the sums insured shall be limited to 125% of the Declared Values.
 - c) In respect of each of the Items subject to this Memorandum the figure(s) stated in brackets below the sum(s) insured represent the Declared Value as defined in paragraph a) above.
- 2) Rent Payable
In the event of damage to the building in respect of any item on Rent Payable, the Underwriters will pay to the Assured the amount of rent which continues to be payable by the Assured for the buildings or part of the buildings whilst unfit for occupation in consequence of the damage, for a period not exceeding 12 months from the occurrence of the damage or the period for which the Assured is contractually obliged to pay rent, whichever is the lesser.
- 3) Glass
This insurance shall also include breakage of glass fixed in the windows and doors of the premises specified, but only if the cost of the replacement of such glass has to be borne by the Assured. In addition, Underwriters will indemnify the Assured against the cost of boarding up pending replacement of glass following such breakage.
This Certificate also covers breakage of internal glass but does not include:
 - a) The cost of removing or restoring frames or fittings.
 - b) Breakage arising from repairs, decorations, additions, alterations which in any way affect the glass, or to glass whilst being fitted.

c) Breakage due to dilapidation or deterioration of framework.

In the event of breakage, all glass shall be considered plain and of ordinary glazing quality unless specifically mentioned in the Schedule.

4)

Subsidence Extension

Subsidence, ground heave or landslip excluding:

a) the amount of excess shown in the schedule.

b) damage arising from the settlement or movement of made-up ground or coastal or river erosion.

c) damage during:

i) the construction, demolition, structural alteration or structural repair of any property

ii) groundworks or excavation works

at the premises.

d) damage arising from normal settlement or bedding down of new structures.

e) damage commencing prior to the granting of cover under this insurance.

f) damage arising from faulty workmanship, defective plans or use of defective materials

SECTION B

BUSINESS INTERRUPTION

INSURING CLAUSE

Subject to the General Conditions and Exclusions of this Certificate, and the conditions and exclusions contained in this Section, if during the period of Insurance the Business of the Assured is interrupted or interfered with as a direct result of loss, destruction or damage to property by any peril covered under Section A (such loss, destruction or damage being hereafter referred to as 'damage') then if liability for such damage has been admitted or would have been admitted but for the operation of any deductible or self-insured amount thereunder under Section A covering the interest of the Assured at the Insured Premises, the Underwriters will pay in respect of each item on the Specification hereto the amount of loss resulting from the interruption or interference in accordance with the provisions hereinafter contained. Provided that Underwriters shall not be liable for more than the Sum Insured stated in the Specification in respect of each loss or series of losses arising out of one event at each location as stated in the Schedule.

GROSS PROFIT

The insurance under this item is limited to loss of gross profit due to (a) REDUCTION IN TURNOVER and (b) INCREASE IN COST OF WORKING and the amount payable as indemnity there under 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, in consequence of the damage, fall short of the standard turnover.

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 turnover which but for the expenditure would have taken place during the indemnity period in consequence of the damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided.

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.

PROFESSIONAL ACCOUNTANTS CLAUSE

Any particulars or details contained in the Assureds books of account or other business books or documents which may be required under General Condition 5 of this Certificate for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the Assured and their report shall be prima facie evidence of the particulars and details to which such report relates.

ADDITIONAL INCREASED COST OF WORKING

The insurance under this item is limited to the additional expenditure necessarily and reasonably incurred during the indemnity period in consequence of the damage in respect of increase in cost of working (including the cost of alternative accommodation) in excess of the amount payable under the item on Gross Profit for the purpose of avoiding or diminishing the reduction in turnover.

RENT RECEIVABLE

The Underwriters shall provide indemnity for any loss sustained as a result of the Untenantability, caused by damage to buildings let by the Assured. The amount so payable shall be calculated as follows:

1) The amount by which the rent receivable by the Assured during the Indemnity Period shall, in consequence of the damage, fall short of the rent which would have been received during the period had the damage not occurred.

2) The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding a shortfall in rent, but not exceeding the amount of the loss of rent which would otherwise have been payable under paragraph a) less any savings in respect of expenditure payable out of rent receivable which reduces or ceases in consequence of the damage.

In arriving at the amount of rent receivable such adjustments shall be made as may be necessary to provide for trend, variations or other relevant circumstances either before or after the damage, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the rent which, but for the damage, would have been obtained during the relative period after the damage. If, following the damage, the amount of rent receivable is maintained by the provision of alternative accommodation by the Assured such rent shall be taken into account in calculating the amount payable. If at the time of the damage the Sum Insured by any item on rent receivable is less than the amount of rent which would have been received during the period of insurance if the damage had not occurred (or a proportionately increased multiple thereof if the rental period exceeds 12 months) the amount payable shall be proportionately reduced.

DEFINITIONS

- 1) **Gross Profit**
The amount by which:
 - a) The sum of.
 - b) The Turnover (less any Discounts allowed).and
 - c) The amount of the Closing Stock and Closing Work in Progress.Shall exceed:
 - i) The sum of the amounts of.
 - ii) The Opening Stock and Opening Work in Progress.
 - iii) The Specified Working Expenses.The amounts of the Opening and Closing Stocks and Work in Progress shall be arrived at in accordance with the Assureds normal accountancy methods, due provision being made for depreciation.
- 2) **Specified Working Expenses**
(Which the Assured elects not to insure as part of Gross Profit) as specified in the Specification.
The words and expressions used in this definition shall have the meaning usually attached to them in the books and accounts of the Assured.
- 3) **Estimated Gross Profit**
The amount declared by the Assured to the Underwriters as representing not less than the Gross Profit which it is anticipated will be earned by the business during the financial year most nearly concurrent with the period of insurance (or a proportionately increased multiple thereof where the indemnity period exceeds twelve months).
- 4) **Turnover**
The money paid or payable to the Assured for goods sold and delivered and for services rendered in course of the business at the premises.
- 5) **Indemnity Period**
The period beginning with the occurrence of the damage and ending not later than the last day of the period specified in the Specification, during which the results of the business shall be affected in consequence of the damage.
- 6) **Rate of Gross Profit**
The rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the damage 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 nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.
- 7) **Standard Turnover**
The Turnover during that period in the twelve months immediately during the date of the damage which Corresponds with the Indemnity Period to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or 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 nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.
- 8) **Value Added Tax**
To the extent that the Assured is accountable, to the tax authorities for Value Added Tax, all terms in this section shall be exclusive of such tax.

MEMORANDA IN RESPECT OF SECTION B – BUSINESS INTERRUPTION

- Where there is any conflict between the terms of a memorandum and any condition or exclusion of this section of the Policy then the terms of the Memorandum shall prevail.
- 1) **Renewal Memorandum**
The Assured shall prior to each renewal furnish the Underwriters with the estimated gross profit for the financial year most nearly concurrent with the ensuing year of insurance.
 - 2) **Premium Adjustment Memorandum**
The first and annual premium in respect of Business Interruption Insurance Coverage is provisional and is based on the estimated Gross Profit for the financial year most nearly concurrent with the period of insurance.
The Assured shall furnish to the Underwriters not later than six months after the expiry of each period of insurance a declaration certified by the Assureds auditors of the Gross Profit earned during the financial year most nearly concurrent with the period of insurance.
If any damage shall have occurred giving rise to a claim for loss of Gross Profit the above mentioned declaration shall be increased by the Underwriters for the purpose of premium adjustment by the amount by which the Gross Profit 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 for the relative period of insurance the Underwriters will allow a pro-rata return of the premium paid on the estimated Gross Profit but not exceeding 50% of such premium.
 - b) Is greater than the estimated Gross Profit for the relative period of insurance the Assured shall pay a pro-rata addition to the premium paid on the estimated Gross Profit.
 - 3) **Departmental Memorandum**

If the Business can be conducted in Departments, the independent trading result of which are ascertainable the provisions of Memoranda (a) and (b) of the Item on Gross Profit shall apply separately to each Department affected by the damage.

- 4) **Payments on Account Memorandum**
It is agreed that payments on account of a claim may be paid if required by the Assured, during the Indemnity Period provided that Underwriters' consent to such payments is obtained; such consent shall not be unreasonably withheld. However if the total of the amounts so paid exceeds the final adjusted loss sustained, the Assured undertakes to pay the difference to the Underwriters.
- 5) **Alternative Basis Memorandum**
It is agreed and declared that, at the option of the Assured, the term OUTPUT may be substituted for the term TURNOVER and for the purposes of this Policy OUTPUT shall mean the sale value of goods manufactured by the ASSURED in the course of the Business at the Premises.
Provided that:
 - a) Only one such meaning shall be operative in connection with any one occurrence involving damage (as within defined).
 - b) If the meaning set out above be used the ALTERNATIVE TRADING MEMORANDUM shall be altered to read as follows: If during the INDEMNITY PERIOD goods shall be manufactured other than at the Premises for the benefit of the Business either by the Assured or by others on the Assureds behalf the sale value of the goods so manufactured shall be brought into account in arriving at the OUTPUT during the INDEMNITY PERIOD.
- 6) **Accumulated Stocks Memorandum**
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.
- 7) **Denial Of Access Memorandum**
Subject to the conditions of this Section loss resulting from interruption or interference with the business in consequence of damage (as within defined) to property in the vicinity of the premises destruction of or damage to which shall prevent or hinder the use of the premises or access thereto whether the premises or property of the Assured therein shall be damaged or not shall be deemed to be loss resulting from damage to property used by the Assured at the premises.
- 8) **Customers and Suppliers Memorandum**
Subject to the conditions of this Section of the Policy loss as insured by Items 1 and 2 of this Section of the Policy resulting from interruption of or interference with the Business in consequence of damage at the customers or suppliers premises specified in the specification shall be deemed to be loss resulting from damage to property used by the Assured at the Premises, provided that after the application of all other terms, conditions and provisions of this Section of the Policy the liability under this memorandum in respect of any one occurrence shall not exceed:
 - a) The percentage of the Sum Insured by Item 1 of this Section of the Policy, or
 - b) The amount shown in the Specification against such situations or property as the Limit.
- 9) **Public Utilities Memorandum**
Subject to the conditions of this Section of the Policy loss as insured by Items 1 and 2 of this Section of the Policy resulting from interruption of or interference with the business in consequence of damage arising from: -
Accidental failure of the public supply of
 - 1) Electricity
 - 2) Gas
 - 3) Water
 - 4) Public Telephone Communication systemAt the terminal ends of the public supply undertaken the service feeders at the premises not occasioned by the deliberate act of any supply authority or by the exercise of any such authority of its power to withhold or restrict supply excluding any failure which does not involve a total cessation of supply for at least 30 consecutive minutes in respect of electricity, gas and water and 12 hours in respect of public telephone communications systems.
For the purpose of the extension the maximum indemnity period is 30 days and not as stated in the schedule.
- 9) **Auditors Charges**
The insurance includes an amount in respect of the reasonable charges payable by the Assured to their Auditors and for Accountants for producing any particulars or details contained in the Assureds books of account or other business books or documents or such other proofs, information or evidence as may be required by the Underwriters under the terms of this Policy and reporting that such particulars or details are in accordance with the Assureds books of account or other business books or documents.
- 10) **Alternative Trading Memorandum**
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 the Insured or by others on their 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.

CONDITIONS

This section shall be void if:

- 1) The business is wound up or carried on by a liquidator or receiver or permanently discontinued.
- or
- 2) The Assureds interest ceases otherwise than by death, at any time after the commencement of this insurance unless its continuance be admitted in writing by or on behalf of the Underwriters.

SECTION C

LIABILITIES

INSURING CLAUSE

Subject to the General Certificate Conditions and Exclusions and the Conditions applicable to each Sub-Section and the Section as a whole, the Underwriters will indemnify the Assured against their liability to pay compensation (including claimant's costs, fees and expenses) in accordance with the law of any country specified within the Territorial Limits.

The Indemnity applies only to such liability as defined by each insured Sub-Section of this Section of the Policy arising out of the Business as set forth in the Schedule and is limited to the amounts specified in the Specification in respect of each Sub-Section.

SUB-SECTION 1- EMPLOYERS LIABILITY

The Underwriters will indemnify the Assured against legal liability for damages and reasonable costs and expenses in respect of accidental Bodily Injury caused during the Period of Insurance to any Employee and arising out of and in the course of employment by the Assured within the Territorial Limits in connection with the Business.

Provided that an action for damages is brought against the Assured within a court of law within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

The Underwriters will also pay the following costs provided that they are incurred with the Underwriters prior written consent:

- 1) The legal costs of representation at:
 - a) Any coroners' inquest or enquiry in respect of any death.
 - b) Proceedings in any court of summary jurisdiction arising out of any alleged breach of Statutory duty resulting in Bodily Injury which may be the subject of indemnity under this Sub Section.
- 2) All other costs and expenses in relation to any matter which may be the subject of a claim under this Sub-Section.

EXTENSIONS TO SUB-SECTION 1

Where any contract or agreement entered into by the Assured with any Principal so requires the Underwriters will:

- 1) Indemnify the Assured against liability arising in connection with and assumed by the Assured by virtue of such contract or agreement.
- 2) Indemnify the Principal in like manner to the Assured in respect of the Principals liability arising from the performance of such contract or agreement but only so far as concerns liability as defined in this Policy to an Employee of the Assured.

Provided that:

- a) The Assured shall have arranged with the Principal for the conduct and control of all claims to be vested in the Underwriters in accordance with General Condition 6.
- b) The Principal shall as though he were the Assured observe fulfil and be subject to the terms and conditions of this Policy in so far as they can apply.

Corporate Manslaughter Legal Defence Costs Extension

Subject to the written consent and the control of the Underwriters and subject to all other Conditions and Exclusions applicable to this Policy, the indemnity provided under this Policy is extended to indemnify the Insured, and if the Insured so requests, any Person Employed or director or partner of the Insured, in respect of legal costs incurred in the defence of any criminal proceedings brought, or in an appeal against conviction arising from such proceedings, in respect of manslaughter or culpable homicide or alleged manslaughter or culpable homicide, including a breach of the Corporate Manslaughter and Corporate Homicide Act 2007 and any amending and/or subsequent legislation provided that an offence is alleged to have been committed during the Period of Insurance and in the course of the Business.

The maximum amount payable under this Extension shall not exceed £1,000,000 in all during any one Period of Insurance.

This Extension shall not apply:

- a) to fines or penalties of any kind or the cost of implementing any remedial order or publicity order.
- b) where indemnity is provided by any other Insurance.

SUB - SECTION 2 - PUBLIC LIABILITY

The Underwriters will indemnify the Assured against legal liability for damages and reasonable costs and expenses in respect of accidental Bodily Injury to any person or for accidental loss of or damage to property occurring during the Period of Insurance within the Territorial Limits in connection with the business.

Provided that an action for damages is brought against the Assured within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

The Underwriters will also pay:

- 1) The legal costs incurred with the Underwriters prior written consent for representation at:
 - a) Any coroners' inquest or enquiry in respect of any death.
 - b) Proceedings in any court of summary jurisdiction arising out of any alleged breach statutory duty resulting in Bodily Injury. Which may be the subject of Indemnity under this Sub-Section.
- 2) All other costs and expenses in relation to any matter which may be the subject of a claim under this Sub-Section.

EXCLUSIONS TO SUB-SECTION 2

The indemnity will not apply to legal liability:

- 1) Arising out of the ownership possession or use by or on behalf of the Assured of any:
 - a) Mechanically propelled vehicle for which insurance is required under the Road Traffic Act or similar legislation.
 - b) Aircraft or other aerial devices.
 - c) Hovercraft.
 - d) Waterborne craft (other than hand propelled or sailing craft in inland or territorial waters).
- 2) For Bodily Injury to any Employee arising out of and in the course of employment by the Assured in the Business.
- 3) In respect of loss of or damage to property owned by or in the care, custody or control of the Assured other than:

- a) Personal property of employees' directors' partners or visitors.
- b) Premises and their contents not owned by or leased or rented to the Assured at which the Assured is undertaking work in connection with the Business.
- c) Premises and their fixtures and fittings leased or rented to the Assured provided that such premises are insured against fire and that the indemnity shall not apply in respect of liability for:
 - i) Such loss or damage if the liability is assumed by the Assured under a tenancy or other agreement and would not have attached in the absence of such agreement.
 - ii) The Assured shall be responsible for the first £250 of such loss or damage caused otherwise than by fire or explosion.
- 4) For the cost of remedying any defect or alleged defect in premises disposed of by the Assured.
- 5) For loss of or damage to any aircraft, hovercraft or waterborne craft arising out of work carried out by or on behalf of the Assured.
- 6) Arising out of or in connection with wrongful advice, design or Specification when given by Assured for a fee.
- 7) For Bodily Injury or loss of or damage to property arising from goods or products manufactured sold, supplied, altered, distributed, constructed, repaired, serviced, treated, or installed or let on hire by the Assured.

EXTENSIONS TO SUB-SECTION 2

- 1) Cross Liabilities
When more than one party comprise the Assured the Underwriters will provide indemnity to each in the same manner and to the same extent as if a separate Policy had been issued to each. Provided that the total amount payable in respect of damages shall not exceed the limit of Indemnity shown in the Schedule.
- 2) Contingent Motor Liability
Notwithstanding Exclusion 1(a) the Underwriters will provide indemnity to the Assured against legal liability arising out of the use in the course of the Business of any motor vehicle not the property of nor provided by the Assured. The indemnity will not apply to legal liability:
 - a) In respect of loss of or damage to such vehicle or to property conveyed therein.
 - b) Arising whilst such vehicle is being driven by the Assured.
 - c) In respect of which the Assured is entitled to indemnity under any other insurance.
- 3) Corporate Manslaughter Legal Defence Costs Extension
Subject to the written consent and the control of the Underwriters and subject to all other Conditions and Exclusions applicable to this Policy, the indemnity provided under this Policy is extended to indemnify the Insured, and if the Insured so requests, any Person Employed or director or partner of the Insured, in respect of legal costs incurred in the defence of any criminal proceedings brought, or in an appeal against conviction arising from such proceedings, in respect of manslaughter or culpable homicide or alleged manslaughter or culpable homicide, including a breach of the Corporate Manslaughter and Corporate Homicide Act 2007 and any amending and/or subsequent legislation provided that an offence is alleged to have been committed during the Period of Insurance and in the course of the Business. The maximum amount payable under this Extension shall not exceed £1,000,000 in all during any one Period of Insurance.
This Extension shall not apply:
 - a) to fines or penalties of any kind or the cost of implementing any remedial order or publicity order.
 - b) where indemnity is provided by any other Insurance.

SUB-SECTION 3 – PRODUCTS LIABILITY

The Underwriters will indemnify the Assured against legal liability for Accidental Bodily Injury to any person or accidental loss of or damage to property occurring during the Period of Insurance within the Territorial Limits and arising out of the Products (after they have ceased to be under the possession or control of the Assured) manufactured, sold, supplied, altered, distributed, constructed, repaired, serviced, treated or installed or let on hire by the Assured.

EXCLUSIONS TO SUB-SECTION 3

The indemnity will not apply to legal liability:

- 1) In respect of loss of or damage to any Product caused by any defect therein or the unsuitability thereof for its intended purpose.
- 2) For the costs of recall, removal, alteration, replacement, repair or reinstatement of any Products necessitated by any defect therein or the unsuitability thereof for its intended purpose.
- 3) Arising out of or in connection with any Product where such legal liability has been accepted by agreement unless such liability would have attached in the absence of such agreement.
- 4) Arising out of or in connection with wrongful advice, design or Specification when given by the Assured for a fee.

EXTENSION TO SUB-SECTION 3

- 1) Consumer Protection Act – Legal Defence Costs
The Underwriters will indemnify the Assured and at the Assured's request any Director, Partner or Employee of the Assured in respect of legal costs and expenses incurred with the Underwriters prior written consent in the defence of any criminal proceedings brought or in an appeal against conviction arising out of any proceedings in respect of a breach of Part II of the Consumer Protection Act 1987 and which may be the subject of indemnity under this Policy. Provided that:
 - 1) The proceedings relate to an offence alleged to have been committed during the Period of Insurance.
 - 2) The indemnity will not apply:
 - a) To fines or penalties of any kind.
 - b) Where indemnity is provided by other insurance.
 - c) To proceedings consequent upon any deliberate act or omission.

- 2) Corporate Manslaughter Legal Defence Costs Extension
 Subject to the written consent and the control of the Underwriters and subject to all other Conditions and Exclusions applicable to this Policy, the indemnity provided under this Policy is extended to indemnify the Insured, and if the Insured so requests, any Person Employed or director or partner of the Insured, in respect of legal costs incurred in the defence of any criminal proceedings brought, or in an appeal against conviction arising from such proceedings, in respect of manslaughter or culpable homicide or alleged manslaughter or culpable homicide, including a breach of the Corporate Manslaughter and Corporate Homicide Act 2007 and any amending and/or subsequent legislation provided that an offence is alleged to have been committed during the Period of Insurance and in the course of the Business.
 The maximum amount payable under this Extension shall not exceed £1,000,000 in all during any one Period of Insurance.
 This Extension shall not apply:
 a) to fines or penalties of any kind or the cost of implementing any remedial order or publicity order.
 b) where indemnity is provided by any other Insurance.

GENERAL EXTENSIONS

- 1) Compensation for Court Attendance
 In the event of any of the under mentioned persons attending court as a witness at the request of the Underwriters in connection with a claim in respect of which the Assured is entitled to indemnity, the Underwriters will pay compensation to the Assured at the following rates per day for each day on which attendance is required.
 a) Any Director or Partner of the Assured - £100.00
 b) Any Employee of the Assured - £50.00
- 2) Health and Safety at Work Act - Legal Defence Costs
 The Underwriters will provide indemnity to the Assured and at the Assureds request any Director, Partner or Employee of the Assured in respect of legal costs and expenses incurred with the Underwriters written consent in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of the Health and Safety at Work Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 and which may be the subject of indemnity under this Policy.
 Provided that:
 a) The proceedings relate to an offence alleged to have been committed during the Period of Insurance and in the course of the Assureds Business.
 b) The indemnity will not apply:
 i) To fines or penalties of any kind.
 ii) To proceedings consequent upon any deliberate act or omission.
- 3) The Underwriters will Indemnify
 a) The personal representatives of the Assured in respect of liability incurred by the Assured.
 b) At the request of the Assured:
 i) Any Director of the Assured or
 ii) Any Employee of the Assured against legal liability in respect of which the Assured would have been entitled to indemnity under this Policy if a claim had been made against the Assured.
 iii) The officers, committees and members of the Assureds canteen sports social and welfare organisations and first aid, fire and ambulance services in the respective capacities as such.
 iv) Any Director or Partner of the Assured in respect of private work undertaken by any Employee for such Director or Partner with the prior consent of the Assured.
 Each of whom shall as though they were the Assured be subject to the terms and conditions of this Policy in so far as they can apply.

GENERAL DEFINITIONS

- 1) Business
 As shown in the schedule shall include the ownership and disposal of premises and the provisions and management of canteen social sports and welfare organisations for the benefit of Employees and first aid, fire and ambulance services.
- 2) Bodily Injury
 Shall include death, illness and disease.
- 3) Property
 Shall mean material property.
- 4) Employee
 Shall mean any:
 a) Person under a contract of service or apprenticeship with the Assured.
 b) Labour master and person supplied by him.
 c) Person employed by Labour only sub contractor.
 d) Self employed person.
 e) Person hired or borrowed by the Assured for the Assured in connection with the Business.
 f) Person undertaking study or work experience for the Assured in connection with the Business.
- 5) Event
 Shall mean any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause.
- 6) Principal

Shall mean the person, company, firm or Public Authority with whom the Assured has entered into a contract for work or services.

- 7) Product
Shall mean any:
- a) Any goods.
 - b) Buildings, contract work, and structures erected by or on behalf of the Assured manufactured, sold, supplied, altered, distributed, constructed, repaired, serviced, treated or installed or let on hire by the Assured and no longer in the possession or control of the Assured in connection with the Business as shown in the Schedule.
- 8) Territorial Limits
- a) Sub-Section 1
Great Britain, Northern Ireland, the Isle of Man or the Channel Islands and temporary visits by non-manual Employees outside such territories.
 - b) Sub-Section 2 and 3
Great Britain, Northern Ireland, the Isle of Man or the Channel Islands and anywhere in the world other than the United States of America or Canada.

GENERAL CONDITIONS

- 1) The due observance of the terms of this Policy relating to anything to be done or complied with by the Assured is a condition precedent to any liability of the Underwriters except in so far as it is necessary to comply with the requirements of any legislation enacted in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands relating to compulsory insurance of legal liability to Employees. The Assured shall repay to the Underwriters all sums paid by Underwriters which but for this legislation Underwriters would not have been liable to pay.
- 2) The Assured shall take all reasonable precautions to prevent Bodily Injury or loss of or damage to property and shall maintain all buildings, plant and vehicles in sound condition.
- 3) If the premium for this section of this Policy is subject to adjustment the Assured shall keep during the entire currency hereof the records necessary to adjust the premium and shall at all reasonable times allow Underwriters or their representatives to inspect such records. At the end of each period of Insurance and on termination of this Policy the Assured shall declare such particulars. The premium shall then be adjusted and the difference paid by or allowed to the Assured subject to any minimum premium shown the Schedule.

SUB - SECTION 3 – PUBLIC and PRODUCTS LIABILITY EXCEPTIONS

- 1) Gradual Environmental Impairment Exclusion Clause LMC 1 (B)
With regard to all Public Liability General Third Party Liability and Products Liability (whether written as such or otherwise) under policies covering operations located outside U.S.A. and Canada.
This Agreement does not cover liability for:
 - 1) Personal injury or Bodily Injury or financial loss or loss of, damage to, or loss of use of property indirectly or arising out of the discharge, dispersal, release or escape of pollutants.
 - 2) The cost of removing, nullifying or cleaning up pollutants.
 - 3) Fines, penalties, punitive or exemplary damages arising directly or indirectly out of the discharge, dispersal, release or escape of pollutants.Notwithstanding the foregoing, this Agreement shall cover liability otherwise excluded under paragraphs (a) and (b) above which:
 - a) Is caused by a sudden identifiable unintended and unexpected happening which takes place in its entirety at a specific time and place, and
 - b) Is indemnified in not more than one annual period of original insurance.For the purpose of this clause, 'pollutants' means any solid liquid gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
This clause shall not, however, apply to the following risk category: Personal Liability.

SUB-SECTION 4 – PROPERTY OWNERS LIABILITY EXTENSION

Underwriters will indemnify the Insured against all sums which the Insured shall become legally liable to pay as damage and claimants' costs and expenses recoverable from him in respect of:

- 1) Accidental bodily injury (including death, illness or disease) of any person not being an employee of the Insured where the injury arises out of and in the course of such person's employment or service with the Insured.
- 2) Accidental loss of or damage to material property not being the property belonging to or in charge of or under the control of the Insured.

Occurring during the Period of Insurance and happening in or about the Premises based solely upon liability of the Insured as landlord of such Premises.

PROVIDED THAT the liability of the Underwriters in respect of any one accident or occurrences or series of accidents or occurrences consequent upon or attributable to any one single cause is limited to the amount stated in the Schedule.

- a) Accidental loss of or damage to material property not being the property belonging to or in charge of or under the control of the insured.
- b) The Solicitor's fees incurred with the Underwriter's written consent for representation at proceedings in any Court of Summary Jurisdiction in respect of any alleged act causing or relating to any occurrences which may be the subject of indemnity hereunder or at any Coroner's Inquest or Fatal Accident Inquiry.

INTERPRETATIONS

For the purposes of this Section the following terms are deemed to be interpreted in the manner stated.

The Insured shall include:

- 1) Personal representatives of the Insured in the event of the death of the Insured but only in respect of liability incurred by the Insured.
- 2) If the Insured so requests any director, partner or employee of the Insured.

PROVIDED THAT such parties observe, fulfil and are subject to the terms, conditions and limitations of this Section in so far as they can apply AND the Underwriters shall retain sole conduct and control of any claims. Landlord shall mean the Insured as owner of the Premises or where he is responsible for the upkeep, repair and maintenance of the Premises as leaseholder under a legal lease for a specified term.

PROPERTY OWNERS LIABILITY – EXTENSIONS

The insurance by this Section is extended to include the following:

- 1) Defective Premises Act 1972
Indemnity hereunder is deemed to include liability for accidents arising in connection with any premises disposed of and previously owned or leased by the Insured solely by virtue of and within the limitations of such Act and caused by construction, repair, maintenance, demolition or other work done on or in relation to such previous premises.
PROVIDED that this Extension shall not apply to:
 - a) Any loss or damage to such previous premises.
 - b) Any liability for which the Insured is entitled to indemnity under any other policy.
- 2) Work Away
Liability of the Insured hereunder extends to apply whilst the Insured is engaged solely in commercial, secretarial, administrative and non-manual duties anywhere in the United Kingdom, in direct connection with his ownership or as lessee of the Premises.
- 3) Cross Liabilities
Where more than one party comprises the insured in the Schedule the Underwriters will treat each party as the Insured as if a separate Policy has been issued to each PROVIDED THAT the maximum liability of the Underwriters hereunder shall not exceed in the aggregate the Limit in the said Schedule.
- 4) Contingent Liability Contractors
Liability of the Insured hereunder arising out of minor work carried out by bonafide contractors in the form of decorations, repairs and routine maintenance and there being no other insurance in force covering the liability of such contractors PROVIDED THAT the maximum liability hereunder shall not exceed the Limits in the said Schedule and be otherwise subject to the terms and conditions and limitations of this Section in so far as they can apply.
The Underwriters shall not be liable under this Section in respect of the following:
 - 1) Any claim arising in connection with the Insured's trade, business or profession other than in his capacity as Landlord of the Premises.
 - 2) Any liability arising out of the explosion or collapse of any steam pressure vessel (not being a boiler used for domestic purposes only) belonging to or under the contract of the Insured unless such is the subject of an Inspection Contract to the extent required by statutory regulations.
 - 3) Any claim arising from work being carried out by the Insured or by anyone on his behalf in the form of decorations, repairs, maintenance, alterations, additions, demolitions (other than as provided under Extension 4 hereof).
 - 4) Seepage, pollution or contamination unless due to a sudden unintended, unexpected happening during the Period of Insurance.
 - 5) For the loss of or damage to property belonging to the Insured in the custody or control of the Insured or of any Employee of the Insured other than:
 - a) Employees' or Visitors' Property.
 - b) Any premises including contents not being leased or rented to the Insured which are temporarily occupied by the Insured for the purpose of carrying out work in or to such Premises.
 - 6) Arising from the ownership, possession or use under the control of the Insured or any Employee of the Insured of:
 - a) Any mechanically propelled vehicle but this exception shall not apply in respect of Bodily Injury or loss of or damage to property arising in circumstances where compulsory insurance or security in respect of any such vehicle is not required by any Road Traffic Legislation and the Insured is not entitled to indemnity under any other policy of indemnity or insurance.
 - b) Any aircraft or other aerial devices, hovercraft or watercraft (other than hand propelled watercraft or sailing craft not exceeding six metres in length).
 - 7) Caused by any Goods after they have ceased to be in the custody or control of the Insured other than food or drink supplied primarily for the use of Employees or for entertainment purposes.
 - 8) Arising from professional advice given by the Insured for a fee or in circumstances where a fee would normally be charged.

SECTION D

LOSS OF MONEY

INSURING CLAUSE

Subject to the General Conditions and Exclusions of this Policy, and the Conditions and exclusions contained herein, if during the period of insurance:

- 1) Money and Non-Negotiable Money is lost, destroyed or damaged by any cause.
- 2) Any safe or strong room belonging to the Assured is lost, destroyed or damaged as a result of theft or attempted theft of Money.

Whilst within or in transit between The United Kingdom and Eire, the Underwriters will indemnify the Assured at their option by repairing, replacing or paying the amount of the loss, destruction or damage.

Provided that Underwriters shall not be liable for more than the Sum Insured stated in the Specification or in the Policy in respect of each loss or series of losses arising out of one event as stated in the Schedule.

LIMITS OF LIABILITY

The Underwriters' liability shall not exceed the Limit of Liability set against any Item in the Specification. The Limit of Liability in respect of Non-Negotiable Money is £250,000

DEFINITIONS

Money shall mean Negotiable and Non-Negotiable Money as defined herein

1) Negotiable Money shall mean Cash, Bank Notes, Uncrossed Cheques, Uncrossed Giro Cheques, Uncrossed Bankers' Drafts, Uncrossed Money Orders, Uncrossed Postal Orders, Bills of Exchange, Unused Postage Stamps and Certificates, Holidays with Pay Stamps, Credit Company Sales Vouchers and VAT Purchase Invoices all the Assureds own or for which they are responsible and Luncheon Vouchers the property of the Assured but only whilst in their custody.

2) Non-negotiable Money shall mean Crossed Cheques, Crossed Giro Cheques, Crossed Bankers' Drafts, Crossed Money Orders, Crossed Postal Orders, Used National Insurance Stamps, National Savings Certificates, Credit Company Sales Vouchers, VAT Purchase Invoices and Franking Machine Units.

EXCLUSIONS

This Section does not cover:

- 1) The deductible as outlined in the policy schedule each and every claim.
- 2) Shortages due to error or omission.
- 3) Loss, destruction or damage arising from the dishonesty of any employee:
 - a) Unless such loss, destruction or damage is discovered within seven working days of its occurrence.
 - b) Insured under a Fidelity Guarantee policy (irrespective of whether the Assured has purchased such Insurance) except in respect of any excess beyond the amount which would have been payable under such policy had this insurance not been effected.
- 4) Loss, destruction or damage resulting from a safe or strong room being opened by the use of a key or a combination code through the key or combination code having been left on the Assureds premises whilst closed for business.
- 5) Loss, destruction or damage as a result of theft from an unattended vehicle.
- 6) Loss, destruction or damage to money whilst in transit by post.

SPECIAL CONDITIONS

It is a condition precedent to any liability under this Section that:

- 1) The Insured shall keep a record of all Money insured under this Section and such record be kept in a secure place, other than in safes or strong rooms on the Premises.
- 2) The Insured shall at all times exercise reasonable care in the selection and employment of employees involved with the handling and or transit of Money and has obtained and will continue to obtain satisfactory written references and confirmation of such references from previous employers.
- 3) Safe/s shall be locked and key/s removed whenever the room containing the safe/s is left unattended.
- 4) It is warranted in respect of Cash carryings the following conditions apply:

Up to £2,500 - 1 Able Bodied Adult

£2,501 - £4,000 - 2 Able Bodied Adults

£4,001 - £10,000 - 3 Able Bodied Adults

Over £10,000 - Security Company

Adjustments of Premium

The premium for this Section has been calculated on estimates supplied by the Assured of the amount of Money at risk during the Period of Insurance. The Assured shall keep an accurate record.

EXTENSIONS

Cover under this Section is extended to include:

Assault – personal assault benefits in accordance with the Table of Benefits hereunder in the event of a robbery or attempted robbery of the Insured or any partner, director or employee in the course of their employment by the Insured which directly results in death or disablement:

- 1) death £10,000
- 2) total & irrecoverable loss of sight in one or both eyes £10,000
- 3) total loss of use of an entire hand, arm, foot or leg £10,000
- 4) permanent total disablement from usual occupation £10,000
- 5) temporary total disablement from usual occupation £100 per week

Provided that:

- a) Benefits shall only be payable under one of the Table of Benefits 1 to 4 in respect of any one injury and such payment shall be the maximum payable per person in any Period of Insurance.
- b) No benefit shall be payable under Benefits 1 to 4 inclusive unless death or disablement occurs within twelve months of the injury.
- c) No benefit shall be payable to any person whose age is less than sixteen or more than sixty five years.
- d) Benefit 5 shall cease immediately the Insured are entitled to claim Benefits 1, 2, 3 or 4.
- e) The maximum period payable for Benefit 5 shall be 104 weeks from the date on which the Insured, partner, director or employee first attends a qualified medical practitioner.
- f) Persons are between the ages of 16 and 60 years.

SECTION E

GOODS IN TRANSIT

INSURING CLAUSE

Subject to the General Conditions and Exclusions of this Policy, and the Conditions and Exclusions contained in this Section herein, if the goods as described in the Specification or any part thereof are lost, destroyed or damaged within the territorial limits specified below whilst being loaded upon, in transit by or unloaded from the means of conveyance detailed in the Specification by any cause not excluded hereby the Underwriters will indemnify the Assured in respect of such loss or damage up to the limits of liability specified in the Schedule.

Provided that Underwriters shall not be liable for more than the Sum Insured stated in the Specification or in the Policy in respect of each loss or series of losses arising out of one event at each location as stated in the Schedule.

It is a condition as regards transit on vehicles owned or operated by the Assured that any vehicle left loaded and unattended:

- 1) Is fully closed and locked with all keys removed there from and all alarm/immobilising systems put into operation.
- 2) Is housed in a securely locked garage or compound, between the hours of 7 pm and 8 am.

TERRITORIAL LIMITS

The United Kingdom, Channel Islands, Isle of Man and Eire including whilst in transit by sea or air between these countries.

EXCLUSIONS

This section does not cover:

- 1) The excess as outlined in the policy schedule each and every claim.
- 2) Loss, destruction or damage:
 - a) Of or to jewellery, watches, works of art, precious stones or precious metals or articles composed of them, furs, leather goods or livestock, money, securities or stamps, manuscripts, business books, patterns, moulds, plans, designs, explosives or other dangerous goods, perfumery, tobacco, cigars, cigarettes, wines, spirits and the like, cameras, radios, television sets, tape recorders and the like.
 - b) Arising from wear, tear, depreciation, gradual deterioration, defective workmanship, moth, vermin, or changes brought about by natural causes, electrical or mechanical derangement unless caused by external means and contamination.
 - c) Loss, destruction or damage caused by breakdown or derangement of refrigerating units.
 - d) Loss, destruction or damage arising from infidelity or dishonesty on the part of the Assured, the Assured's Employees or Agents of the Assured, inventory shortages and unexplained disappearances.

SPECIAL CONDITIONS

- 1) If at the time of the happening of any loss or damage the total value of the goods comprising the load or consignment exceeds the limit of liability, the Assured shall be considered as being their own Insurers for the difference.
- 2) The Assured shall take all reasonable care:
 - a) In the selection and supervision of employees.
 - b) In the maintenance of vehicles and any protective devices thereon.
 - c) In the safeguarding of the goods insured by proper packing and addressing, loading, unloading and handling.
- 3) Any claim for loss or damage following theft shall be:
 - a) Evidenced by violent and forcible entry and in the event of theft of the vehicle by violent forcible entry therein.
or
 - b) Accomplished by hold-up or kidnapping or by the use of keys obtained by robbery from an approved custodian of the keys for the vehicle and alarm systems.
- 4) Adjustment of Premium.

The premium has been calculated on estimates supplied by the Assured and they shall keep an accurate record of information on matters for which estimates have been given. Within one month of expiry of each Period of Insurance the Assured shall supply a true statement of the particulars necessary for assessment of premium and should these particulars differ from the estimates upon which premium has been paid the difference in premium shall be met by a further proportionate payment or refund as the case may be. Failure to supply such particulars shall entitle the Underwriters to estimate if they so wish such particulars and to assess the further premium payment due calculated on such estimated particulars.

MEMORANDA

Where there is any conflict between the terms of Memoranda 1 or 2 below and any condition or exclusion of this Section of the Policy then the terms of the Memorandum shall prevail.

All Memoranda shall be applicable to own vehicle or vehicles under the custody or control of the Assured only.

1) Clearance of Debris, Transhipment and Recovery Charges.

The Underwriters will indemnify the Assured up to £1,000 any one occurrence in respect of costs reasonably incurred in clearing debris, transhipment and recovery of property lost damaged or destroyed by a peril not otherwise excluded by this Section.

2) Sheets, Ropes, Chains, Toggles and Dunnage.

The Underwriters, will indemnify the Assured, subject to the Policy terms and conditions against loss or destruction of or damage to Sheets, Ropes, Chains, Toggles and Dunnage.

Nevertheless the Underwriters shall not be liable for:

- a) More than £1,000 in respect of any one vehicle.
- b) Loss, destruction or damage caused by or arising from wear and tear or gradual deterioration.
- c) Loss, destruction or damage unless the cause is:
 - i) Supported by direct evidence to the satisfaction of the Underwriters.
 - ii) A peril insured by this Section of the Policy.
- d) The deductible as outlined in the policy schedule each and every claim.

SECTION F

ALL RISKS TO BUSINESS EQUIPMENT

INSURING CLAUSE

Subject to the General Exclusions of this Policy, this Section insures Business Equipment of the Assured or for which the Assured may be responsible against All risks of physical loss or damage occurring during the period of Insurance anywhere in the United Kingdom and Eire up to the limits shown in the Specification.

SPECIFIC CONDITIONS

- 1) In the event of loss, destruction or damage hereunder, the basis of Valuation for such lost, damaged or destroyed equipment shall be based upon the cost of repair or replacing the said item(s) with an item of similar specification.
- 2) In respect of each item separately, the liability of Underwriters for any loss or damage, shall not exceed the respective Sum Insured specified in the Specification, nor shall it exceed such proportion of the said loss or damage as the Sum Insured bears to the total value thereof.

SPECIFIC EXCLUSIONS

This section does not cover:

- 1) The excess as outlined in the policy schedule each and every claim.
- 2) Loss, destruction or damage caused by moth, vermin, inherent vice, climatic conditions, wear and tear, mechanical derangement, gradual deterioration or faulty manipulation.
- 3) Loss, destruction or damage to any part of any machine caused by its own ignition, electrical breakdown or burn out.
- 4) Loss, destruction or damage caused by the actual process of repair, renovation or servicing.
- 5) Depreciation, contamination, or any other consequential loss of any description.
- 6) Loss, destruction or damage to Business Equipment whilst contained in an unattended vehicle unless in a locked boot.

SECTION G

BOOK DEBTS

INSURING CLAUSE

Subject to the General Conditions and Exclusions of this Policy, and the Conditions and Exclusions contained herein. If the Assureds books of accounts, other business books or records at the premises stated in the Schedule should be destroyed or damaged by any of the perils detailed in Section A and shown as insured in the Specification and in consequence thereof the Assured is unable to trace or establish the outstanding debit balance in whole or in part due to them, then the Underwriters will pay to the Assured the loss sustained by the Assured in respect of such outstanding balances and the amount payable in respect of any one occurrence or damage shall not exceed:

- 1) The difference between:
 - a) The outstanding debit balances.
 - b) The total of the amounts received or traced in respect thereof.
- 2) The additional expenditure incurred with the previous consent of the Underwriters in tracing and establishing outstanding debit

balances after the damage. If the Sum Insured be less than the outstanding debit balances the amount payable shall be proportionately reduced.

The Sum Insured under this Section includes all reasonable charges payable by the Assured to their Auditors for producing identifying and certifying any particulars or details contained in the books of account or other business books or records, or documents or such other proofs, information or evidence as may be required by the Underwriters.

Provided that Underwriters shall not be liable for more than the Sum Insured stated in the Specification or in the Policy in respect of each loss or series of losses arising out of one event.

DEFINITIONS

- 1) Outstanding Debit Balances – the total shown in the Assured's last audited accounts 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 customer's accounts in the period between the date to which the last statement relates and the date of the damage.
and
 - c) Any abnormal conditions of trade which had or could have had a material effect on the business so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would have been obtained at the date of the damage had the damage not occurred.
- 2) Customers' Accounts – the accounts of all customers and/or agents of the Assured who purchase goods from, or to whom services are rendered by the Assured.

CONDITIONS

- 1) This Section shall be void if:
 - a) The business be wound up or carried on by a liquidator or receiver or permanently discontinued.
or
 - b) The Assured's interest ceases other than by death at the time after the commencement of this insurance, unless its continuance be admitted in writing by or on behalf of the Underwriters.

WARRANTY

- 1) Fire Resistant Safes

It is warranted that the Assured books of accounts, other business books or records are kept in a fire resistant Safe or cabinet when not in use.

SECTION H

STOCK DETERIORATION FOLLOWING REFRIGERATION BREAKDOWN

INSURING CLAUSE

Subject to the General Conditions and Exclusions of this Policy, and the Conditions and Exclusions contained herein, this Section shall cover Stocks of frozen foods whilst contained in Deep Freezers and/or Refrigerators up to the amount specified in the Specification against deterioration or putrefaction due to a change in the temperature following:

- 1) Breakdown of refrigeration.
- 2) Failure of the Public Electricity or Gas supply.
- 3) The action of refrigerant fumes escaping from the refrigeration equipment.

Which occurs during the period of Insurance set forth in the schedule Provided that Underwriters shall not be liable for more than the Sum Insured stated in the Specification or in the Policy in respect of each loss or series of losses arising out of one event at each location as stated in the Schedule.

EXCLUSIONS

This Section does not cover:

- 1) The deliberate act of any electricity or gas supply authority of the exercise by any such authority of its power to withhold or restrict supply.
- 2) Failure of the electricity or gas supply due to strikes or any other withdrawal of labour by employees of any electricity or gas authority.

CONDITION PRECEDENT

It is a Condition Precedent to Underwriters' liability under this Section that the refrigerant unit(s) is/are maintained by maker, installer or competent engineer under an annual maintenance contract.

SECTION I

LOSS OF LICENCE

INSURING CLAUSE

Subject to the General Conditions and Exclusions of this Policy, and the Conditions and Exclusion contained herein if during the Period of Insurance the Licence is forfeited under the provisions of the appropriate legislation covering the issue of the Licence or after proper application the renewal of the Licence is refused by the appropriate authority the Underwriters will pay for

1. the depreciation in value of the Premises
2. costs and expenses incurred by the Assured with the Underwriters written consent in connection with any appeal in respect of forfeiture of or refusal to renew the Licence

Should the Assured comprise more than one party the Underwriters will indemnify each in the term of this Section as if the other was not included as an Assured provided that the total amount of indemnity shall not exceed the Limit of Liability

DEFINITIONS

Licence - The licence granted for the retail sale of excisable liquors at the Premises specified in the Policy Schedule Assured Includes for the purposes of this Section the licence holder

CONDITIONS

The Assured shall immediately notify the Underwriters in writing of any

1. complaint about the Premises or about the conduct or control of the Business
2. transfer or proposed transfer of the Licence
3. changes in tenancy or management of the Premises
4. objection to renewal of the Licence or any circumstances which may endanger the renewal of the Licence
5. proceedings against or conviction of the Assured or the licence holder at the Premises for any breach of licensing laws or any other matter whereby the character or reputation of the person concerned is affected with respect to his honesty moral standing or sobriety

EXCLUSIONS

The Underwriters will not be liable under this Section for forfeiture or refusal to renew the Licence arising from

1. any cause within or under the control of the Assured
2. any Town and Country planning improvement or redevelopment or compulsory purchase or the surrender reduction or redistribution of licences in connection with them
3. any alteration in the law affecting the grant surrender or forfeiture of or refusal to renew the Licence

CONDITIONS AND EXCLUSIONS APPLICABLE TO ALL SECTIONS

GENERAL CONDITIONS

- 1) Alarm Protections Maintenance Clause
It is a condition precedent to Underwriters' liability for loss of or damage to property following entry or attempted entry into or exit from the premises by forcible and violent means that:
- a) In respect of any Alarm System installed at the Premises.
 - i) A maintenance contract is maintained in force during the currency of this insurance with the installing company or other such company approved by Underwriters.
 - ii) The Premises are not left unattended unless:
 - (a) The Alarm System is tested and set in its entirety and, where the equipment permits, any central station to which the Alarm System is connected has acknowledged the setting signal.
 - (b) As far as the Insured or his representative is aware, the Alarm System is in full and efficient working order.
 - (c) The agreement of Underwriters is obtained in writing before replacing, extending or otherwise altering the Alarm System.
 - iii) Underwriters are notified immediately and in writing if:
 - (a) The Insured receives written notification from a Police Authority that they may be withdrawing response to alarm calls
 - or
 - (b) The Insured is required to abate a nuisance under Code of Practice on Noise from Audible Intruder Alarms 1983 or by Force policy issued by the Chief Constable.
 - b) Whenever the Premises are left unattended:
 - i) All locks and other protective devices are in full operation.
 - ii) All keys (including those relating to any part of the Alarm System) are:
 - (a) Removed from the Premises
 - or
 - (b) Placed within a locked safe or strong room, the keys to which are themselves removed from the Premises.

DEFINITION

Alarm System shall be deemed to include all lines and equipment used to transmit the signals to and from the Premises.

- 2) Fire Appliance Maintenance Clause
It is understood and agreed that:
- a) The Insured will maintain all fire extinguishing appliances contained in the premises in full working order during the currency of this Insurance, and
 - b) Notify the Underwriters immediately of any disconnection or failure of the automatic fire alarm installation which is likely to leave any area without protection for 12 hours or more. Nevertheless this Insurance shall not be invalidated by any defect in any of the appliances due to circumstances unknown or beyond the control of the Insured.

- 3) Millennium Clause (Named Perils)

UK MILLENNIUM ENDORSEMENT

- a) Commercial Named Perils

This Insurance does not cover any physical loss or damage or any consequential loss directly or indirectly caused by or consisting of or arising from the failure of any computer system, hardware, programme or software or any microchip, integrated circuit or similar device in computer or noncomputer equipment, whether the property of the Insured or not, and whether occurring before, during or after the year 2000:

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

But this shall not exclude:

- (a) Any ensuing physical loss or damage to property insured:

- i) Resulting from a peril insured under this Insurance, and
- ii) Which is not otherwise excluded.

or

- b) Any consequential loss, as covered under this Insurance, which may arise from such ensuing physical loss or damage.

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

UKME (CNP) NMA 2803 (6/5/98)

Form approved by Lloyd's Underwriters' Non-Marine Association Limited

- 4) Millennium Clause (All Risks)

UK MILLENNIUM ENDORSEMENT

a) Commercial All Risks

This Insurance does not cover any physical loss or damage or any consequential loss directly or indirectly caused by or consisting of or arising from the failure of any computer system, hardware, programme or software or any microchip, integrated circuit or similar device in computer or noncomputer equipment, whether the property of the Insured or not, and whether occurring before, during or after the Year 2000:

i) Correctly to recognise any date as its true calendar date.

ii) To capture, save or retain and/or correctly to manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date.

iii) To capture, save, retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or correctly to process such data on or after any date.

But this shall not exclude:

a) Any ensuing physical loss or damage to property insured:

i) Resulting from a listed peril, set out below, as covered under this insurance but no other for the purposes of this endorsement, and

ii) Which is not otherwise excluded.

or

b) Any consequential loss, as covered under this Insurance, which may arise from such ensuing physical loss or damage.

LISTED PERILS

Fire and/or Lightning

Explosion

Aircraft or other aerial devices or articles dropped therefrom

Impact by road vehicles or animals

Riot or civil commotion

Strikers, locked-out workers, or persons taking part in labour disturbances

Malicious persons

Earthquake

Storm

Flood

Escape of water from any tank apparatus or pipe

Theft

If specific perils are defined in this Insurance the listed perils shall be deemed to be amended to follow this Insurance but in no event shall it include Accidental Damage or the equivalent coverage provided by this Insurance. If any of the above listed perils are specifically excluded by this Insurance they shall be deemed to be deleted from this list. Provided that nothing in this endorsement or any other provision or extension of this Insurance shall be construed to extend the liability of the Insurers to cover any costs and expenses, whether preventative remedial or otherwise arising out of or relating to change, alteration or modification of any computer system, hardware, programme or software or any microchip, integrated circuit or similar device in computer or non-computer equipment, whether the property of the Insured or not.

UKME(CAR) NMA 2804 (6/5/98)

Form approved by Lloyd's Underwriters' Non-Marine Association Limited

5) Data Protection Act 1998

It is understood by the Assured that any information provided to the Underwriters regarding the Assured will be processed by the Underwriters, in compliance with the provisions of the Data Protection Act 1998, for the purpose of providing insurance and handling claims, if any, which may necessitate providing such information to third parties.

- 6) Asbestos Endorsement
 A. This Insurance only insures asbestos physically incorporated in an insured building or structure, and then only provides Indemnity in respect of that part of the asbestos which has been physically damaged during the period of insurance by one of these Listed Perils Fire, Lightning, Explosion, Aircraft, Riot or Civil Commotion, Earthquake, Subterranean Fire, Storm or Flood, Escape of Water, Impact, Sprinkler Leakage, Subsidence.
 This coverage is subject to all limitations in the policy to which this endorsement is attached and in addition to each of the following specific limitations:
 1. The said building or structure must be insured under this Insurance for damage by a Listed Peril.
 2. The Listed Peril must be the immediate sole cause of the damage to the asbestos.
 3. The Assured must report to the Underwriters the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However this Insurance does not insure any such damage first reported to the Underwriters more than 12 (twelve) months after the expiration, or termination, of the period of insurance.
 4. This Insurance shall provide no cover (whether for physical damage, business interruption, delay of repair or other consequential loss) in respect of:
 (i) wear and tear or inherent defect, quality or vice in or of any asbestos;
 (ii) any compliance with or breach of any legal or other duty or obligation (including without limitation any duty arising from any contract or statute, or any instruction, request or order of any court or governmental or regulatory authority) of any person in connection with the design, manufacture, installation, use, retention, treatment, management, repair, replacement or removal of any asbestos (damaged or otherwise); or
 (iii) any asbestos which the Listed Peril has not physically damaged.
 B. Except as set forth in the foregoing Part A of this endorsement, this Insurance does not insure asbestos or any interest relating thereto.
- 7) Contracts (Rights of Third Parties) Act 1999 Clarification Clause
 A person who is not part to this contract of insurance has no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of this contract of insurance, but this does not affect any right or remedy of a third party which exists or is available apart from the Act
- 8) Non-Contribution
 This insurance does not cover any loss or liability which at the time of the happening of such loss or liability is more specifically insured elsewhere, except in respect of any excess beyond the amount which would have been payable under such other Insurances had this insurance not been effected.
- 9) Due Diligence
 The Assured shall at all times use due diligence and do and concur in doing all things reasonably practicable to avoid or diminish any loss, damage or liability under this insurance.
- 10) Claims Notifications
 It is a condition precedent to the liability of Underwriters that following any happening likely to give rise to a claim the Assured will:
 a) As soon as is practicable notify in writing the Underwriters.
 b) Provide such information and assistance as Underwriters may reasonably require.
 c) In the event of theft, loss of money, riot or malicious damage, immediately inform the Police, and offer them all reasonable assistance in the apprehension of the person(s) responsible and the recovery of any property stolen.
 d) In respect of Claims arising under Section C, every letter, claims, writ, summons and process shall be notified or forwarded to Underwriters immediately on receipt. Notice shall also be given in writing to the Underwriters immediately the Assured shall have notice of any impending prosecution inquest or fatal accident inquiry in connection with any such occurrence. All such matters shall be referred immediately to the Broker through whom this Policy has been issued.
- 11) Handling of Claims
 The Assured shall not incur any expense in making good any damage without the consent of the Underwriters and shall not admit liability for or offer or agree to settle any claim without the written consent of the Underwriters, who shall be entitled to take over and conduct in the name of the Assured the defence of any claim and to prosecute in the Assured's name for Underwriters benefit any claim for indemnity or damage or otherwise against any third party and shall have full discretion in the conduct of any negotiations and proceedings and the settlement of any claim.
- 12) Alterations
 The Assured shall give the Underwriters immediate notice in writing of any alterations to the risk insured and shall pay or agree to pay any additional Premium that may be required.
- 13) Warranties
 Every warranty shall from the time that the warranty attaches apply and continue to be in force during the whole currency of this Policy and non-compliance with any such warranty whether it increases the risk or not shall be a bar to any claim provided that whenever this Policy is renewed a claim occurring during the renewal period shall not be barred by reason of a warranty not having been complied with at any time before the commencement of such period provided such warranty if it is still in force has been fully complied with from the commencement of such period.
- 14) Premium Adjustment
 Where the premium is calculated on the statements and estimates furnished by the Insured the Insured shall keep an accurate record of all relevant particulars and shall at any reasonable time allow the Underwriters to inspect such record and shall within one month of the expiry of each Period of Insurance furnish to the Underwriters such information as the Underwriters require for such expired period and the premium for such period shall thereupon be adjusted by the Underwriters and the difference be paid or allowed to the Insured as the case may be subject to any agreed minimum premium.
- 15) Duties of the Insured

The Insured shall:

- a) Maintain the Premises, machinery, plant and equipment in a satisfactory state of repair.
 - b) Take all reasonable precautions to prevent loss or destruction or damage, accident or injury.
 - c) Take all reasonable precautions for the safety and protection of the property insured including the selection and supervision of Employees and not do or permit anything whereby the risk of Underwriters shall be increased.
 - d) Comply with all statutory requirements and other safety regulations imposed by any authority.
 - e) Keep books with a complete record of purchases and sales.
 - f) Make good any defect or danger which becomes apparent and take additional precautions as circumstances require.
- 16) Salvage
On the happening of any loss, destruction or damage, the Assured shall give the Underwriters or their agent or representative leave and licence to enter the building where the loss, destruction or damage has occurred and take and keep possession of any of the property hereby insured and deal with the salvage in a reasonable manner.
- 17) Fraudulent Claims
If the Assured shall make any statement, claim or representation knowing the same to be false or fraudulent as regards amount or otherwise, this insurance shall become void and all claims hereunder shall be forfeited.
- 18) Cancellation
This insurance may be cancelled at any time at the request of the Assured in writing to the Broker who effected the Insurance, and the premium hereon shall be adjusted on the basis of Underwriters receiving or retaining the customary short term premium, details of which are available on request. This Insurance may also be cancelled by or on behalf of Underwriters by 30 days' notice given in writing, and sent by registered or recorded delivery mail, to the Assured at his last known address, and the premium hereon shall be adjusted on the basis of Underwriters receiving or retaining pro-rata premium for the unexpired period.
- 19) Automatic Reinstatement of Loss
Upon the occurrence of a loss hereunder, the Sum Insured shall be immediately and automatically reinstated, and the Assured undertake to pay the Additional Premium on the amount of loss at the rate applicable pro-rata from the date of the loss to the expiration of this Policy.

GENERAL EXCLUSIONS

- 1) Property Excluded
This Insurance does not cover loss, destruction or damage:
 - a) To motor vehicles and accessories in or upon the said vehicles, explosives, livestock, cash, currency and/or banknotes, stamps, bonds, bills of exchange, promissory notes, securities for money, negotiable documents or other documents except as expressly mentioned as insured.
 - b) To computer system records, nor any claim whatsoever arising from such loss or damage, except as expressly mentioned as insured herein.
- 2) Invalid Payments
This Insurance excludes all claims in respect of loss of property hereby insured where loss has been sustained by the Assured consequent upon handing over such insured property to any third party against any payment or promise of payment by any means whatsoever and where such payment shall prove to be false, fraudulent or otherwise invalid or uncollectable for any reason whatsoever.
- 3) Consequential Loss
This Insurance does not cover Loss of use, delay, consequential loss or loss of market, unless specifically specified herein.
- 4) War and Civil War Exclusion Clause
Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage, bodily injury or liability directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, military or usurped power or 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.
- 5) Nuclear Energy Risks Exclusions Clause
This agreement shall exclude Nuclear Energy Risks whether such risks are written directly and / or via Pools and / or Associations.
For the purposes of this agreement Nuclear Energy Risks shall be defined as all first party and or third party insurances in respect of:
 - i) Nuclear reactors and nuclear power stations or plant.
 - ii) Any other premises or facilities whatsoever related to or concerned with:
 - (a) the production of nuclear energy or
 - (b) the production or storage or handling of nuclear fuel or nuclear waste
 - iii) Any other premises or facilities eligible for insurance by any local Nuclear Pool and / or Association.

- 6) Radioactive Contamination and Explosive Nuclear Assemblies Clause
 This Policy does not cover:
 a) Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss.
 b) Any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
 i) Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
 ii) The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
- 7) Sonic Bang
 This Insurance does not cover any loss, damage or liability directly occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.
- 8) Territorial Limits
 This Insurance does not cover any loss, damage or liability occurring outside the limits of The United Kingdom and Eire unless otherwise stated herein to the contrary.
- 9) Northern Ireland Overrider Clause
 Loss or destruction of or damage to any property in Northern Ireland or loss resulting therefrom caused by or happening through or in consequence of:
 i) Civil commotion.
 ii) Any unlawful, wanton or malicious act committed maliciously by a person or persons acting on behalf of, or in connection with any unlawful association.
 NOTE
 'Unlawful association' means any organisation which is engaged in terrorism and includes an organisation which at any relevant time is a proscribed organisation within the meaning of the Northern Ireland (Emergency Provisions) Act 1973.
 'Terrorism' means the use of violence for political ends and includes any use of violence for the purpose of putting the public or any section of the public in fear. In any action, suit or other proceedings where the Underwriters allege that by reason of the provisions of this exclusion any loss, destruction or damage is not covered by this Policy the burden of proving that such loss, destruction or damage is covered shall be upon the Assured. This overriding exclusion applies to this Insurance and to any extensions thereof, unless such extension expressly cancels this overriding exclusion.
- 10) Contamination and Pollution Exclusion Clause
 1. This Agreement shall not cover any loss or damage or damage due to contamination, sooting, deposition, impairment with dust, chemical precipitation, poisoning, epidemic and disease including but not limited to foot and mouth disease, pollution, adulteration or impurification or due to any limitation or prevention of the use of objects because of hazards to health.
 2. This exclusion does not apply if such a loss or damage arises out of or more of the following perils
 Fire, Lighting, Explosion, Impact of Aircraft
 Vehicle Impact, Sonic Boom
 Accidental escape of water from any tank or apparatus or pipe
 Riot, Civil Commotion, Malicious Damage
 Storm, Hail
 Flood, inundation
 Earthquake
 Landslide, Subsidence
 Pressure of Snow, Avalanche
 Volcanic Eruption
 3. All other terms and conditions of this Agreement shall be unaltered and especially the exclusions shall not be superseded by this clause
- 11) Electronic Data Endorsement
 1. Electronic Data Exclusion
 Notwithstanding any provision to the contrary within this Agreement or any endorsement thereto, it is understood and agreed as follows:
 a) This Agreement does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
 ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.
 COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.
 b) However, in the event that a peril listed below results from any matters described in paragraph (a) above, this Agreement, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the original policy period to the property insured by the original policy directly caused by such listed peril.
 Listed Perils
 Fire
 Explosion

2. Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within this Agreement or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media insured by this Agreement suffer physical loss or damage insured by this Agreement, then the basis of valuation shall be the cost of the blank media plus the cost of copying the ELECTRONIC DATA from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Agreement does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

Essential Business Legal

Please read this policy carefully to familiarise yourself with the terms and conditions, as well as the

- i legal and tax helpline and
- i the claim reporting procedures

If you are unsure about anything in this document please contact whoever you purchased your policy from.

Business Legal Services

Register today at www.araglegal.co.uk and enter the voucher code shown in your policy schedule to access the law guide and download legal documents to help with commercial legal matters within EU law.

For a fee you can have your documents reviewed by a solicitor to ensure they meet your specific requirements.

Telephone Helplines

24/7 legal advice on business matters within EU law	0844 581 0400
UK tax advice 9am to 5pm weekdays	0844 581 0400
24/7 confidential counselling	0844 477 1619

Make a claim

To report a claim call 0117 917 1698 between 9am and 5pm weekdays (except bank holidays) or go online www.arag.co.uk/newclaims

Let's make it happen with Essential Business Legal

Legal expenses cover will empower you to pursue or defend your commercial legal rights in the future. With support from ARAG you and your business could be protected from legal costs arising from:

- i employment disputes and compensation awards
- i tax protection
- i property protection
- i compliance & regulation
- i employees extra protection

Who is ARAG?

ARAG plc is a legal expenses and assistance insurance provider, operating nationwide from our headquarters in Bristol. Our mission from the very beginning has been to enable every citizen to be able to assert their legal rights.

We are experts in advancing the concept of legal insurance with innovative products and services, by understanding the many and varied legal systems that exist.

Our pioneering spirit has made us successful in an international market environment. ARAG plc is part of ARAG SE and recognised as a global leader, generating a premium income of over €1.5 billion per annum.

Our ethos is to work in partnership with our clients, listening to your expectations. With ARAG, there is no need to put your business on hold.

Your Policy Cover

This policy is evidence of the contract between you and the insurer. It is based on the information given to us by you when you applied for this insurance. The policy and any endorsement that may attach to this policy shall be read together as one document.

Legal and tax advice

In the event of a legal or tax problem we strongly recommend that you initially take advantage of our confidential legal and tax advice helpline which is provided as part of this policy; the only cost to you is a national rate call. The legal advice helpline is open 24/7 and tax advice is available between 9am and 5pm on weekdays. The advice covers UK tax or business legal matters within EU law and you can use this service as often as you like. Your query will be dealt with by a suitably qualified specialist experienced in handling a range of legal and tax related matters.

You can get advice by telephoning 0844 581 0400. Use of this service does not constitute reporting of a claim.

Counselling assistance

In the event of an employee needing confidential help and advice, our counsellors are available 24 hours a day, 365 days of the year. Our trained counsellors are available to provide telephone support on any matter that is causing your employee upset or anxiety, from personal problems to bereavement.

Assistance is available by telephoning 0844 477 1619.

Claims procedure

If you need to make a claim or are considering carrying out a redundancy, you must notify us as soon as possible.

1. Under no circumstances should you instruct your own lawyer or accountant as we will not pay their costs and it could invalidate your cover.
2. You can request a claim form between 9am and 5pm Monday to Friday (except bank holidays) by telephoning 0117 917 1698 or online at www.arag.co.uk/newclaims (for our mutual protection and training purposes, calls may be recorded). Please have your policy schedule to hand.
3. We will issue you with a written acknowledgement within one working day of receiving your claim form.
4. Within five working days of receiving all the information needed to assess the availability of cover under the policy, we will write to you either:
 - ó confirming the appointment of a suitably qualified representative who will promptly progress the claim for you; or
 - ó if the claim is not covered, explaining in full why and whether we can assist in another way.

What happens if the insurer cannot meet its liabilities?

Brit Syndicate 2987 at Lloyd's is covered by the Financial Services Compensation Scheme (FSCS).

You may be entitled to compensation of up to 90% of the cost of your claim in the unlikely event that the insurer cannot meet its obligations. Further information about compensation scheme arrangements is available from the FSCS.

About us and your insurer

ARAG plc and Brit Syndicate 2987 at Lloyd's managed by Brit Syndicates Limited are authorised and regulated by the Financial Services Authority, registration number 452369 and 204930 respectively. This can be checked by visiting the FSA website at www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234. ARAG plc is covered by the Financial Ombudsman Service.

www.ARAG.co.uk

This is a summary of cover. For the full terms and conditions of the policy, please read the policy wording.

keyfacts

Significant Features & Benefits	Significant Exclusions or Limitations	Policy Section
The insurer will pay the insured's legal costs & expenses (and compensation awards under Insured Event 2) up to the limit of indemnity, including the cost of appeals for claims reported during the period of insurance for the following Insured Events.	<ul style="list-style-type: none"> i The insured's claim must always be more likely than not that the claim will be successful. It must also be reported to us immediately after the insured first becomes aware that a claim has occurred. i The insured must always use the appointed advisor nominated by us, prior to the issue of proceedings or in any claim falling under the jurisdiction of an Employment Tribunal or the small claims court. i Legal costs, expenses, and compensation awards incurred prior to the acceptance of a claim. 	<p>WHAT IS INSURED</p> <p>3)</p> <p>4)</p> <p>WHAT IS NOT INSURED</p> <p>1.</p>
<p>1 EMPLOYMENT</p> <p>We will defend an employment dispute with a past, present, or prospective employee, arising from a contract for services and/or statutory employment rights.</p>	<ul style="list-style-type: none"> i Any redundancy-related claim occurring within 180 days of you taking out this policy. i Any dispute relating to a transfer under TUPE. i Any dispute or related costs occurring prior to the conclusion of the relevant grievance/ disciplinary procedures. 	<p>What is not insured under Insured Event 1</p> <p>1.</p> <p>2.</p> <p>3.</p>
<p>2 EMPLOYMENT COMPENSATION AWARDS</p> <p>We will pay a basic and compensatory award made against you by a tribunal, or an amount agreed by us in settlement of a dispute, where we have accepted your claim under Insured Event 1.</p>	<ul style="list-style-type: none"> i Any claim for redundancy where you have not sought our prior advice. i Money due to an employee under a contract of employment. 	<p>2 EMPLOYMENT COMPENSATION AWARDS</p> <p>(ii)</p> <p>What is not insured under Insured Event 2</p> <p>2.</p>
<p>3 TAX PROTECTION</p> <p>We will cover a formal aspect or full enquiry into your business tax affairs, and appeal proceedings following an assessment by HM Revenue & Customs relating to VAT.</p>	<ul style="list-style-type: none"> i We will not pay the first £250 of any claim relating to a formal aspect enquiry. i An investigation by the Specialist Investigations Branch of HM Revenue and Customs. i Any claim where you have acted negligently or have not met legal timescales. 	<p>3 TAX PROTECTION</p> <p>2.</p> <p>What is not insured under Insured Event 3</p> <p>1.</p> <p>4.</p>
<p>4 PROPERTY</p> <p>We will cover an event which causes physical damage to your property, public or private nuisance or trespass, and recovery or repossession of property from an employee or ex-employee.</p> <p>We will cover a dispute with your business tenant that arises from a written lease agreement granted under the Landlord & Tenant Act 1954.</p>	<ul style="list-style-type: none"> i Any claim where a contract exists between you and the third party. i Defending a claim brought against you unless defending a counter-claim. 	<p>What is not insured under Insured Event 4</p> <p>1.</p> <p>2.</p>
<p>5 COMPLIANCE & REGULATION</p> <p>We will cover claims regarding the suspension, revocation or refusal to renew your statutory licence, an event leading to the insured being</p>		

<p>prosecuted in a court of criminal jurisdiction, and defence of a civil action brought under the Data Protection Act 1998.</p>		
<p>6 EMPLOYEES' EXTRA PROTECTION We will cover the defence of an employee in civil proceedings brought for unlawful discrimination, or as a trustee of the company pension fund, or the pursuit of a personal injury claim by an employee or a member of their family.</p>		
<p>Business Legal Services website</p> <ul style="list-style-type: none"> i Visit our business legal services website at www.araglegal.co.uk and register using your voucher code to download legal documents that can assist you with day-to-day issues that affect your business. i Access our online law guide. i Many documents offer legal review services. 	<ul style="list-style-type: none"> i Documents are restricted to business matters within EU law. i Many documents are free while others attract a modest charge. i Legal review services are subject to a fee. 	
<p>Legal & Tax Advice The insured can use the legal advice service 24/7 and the tax advice service between 9am - 5pm weekdays.</p>	<ul style="list-style-type: none"> i We will not put any advice in writing. i Legal advice will be restricted to business matters within EU law. i Tax advice is restricted to UK tax regulations. 	
<p>Counselling Assistance The insured can use this telephone assistance service 24 hours a day, 365 days of the year.</p>		
	<p>Territorial Limit The United Kingdom, Channel Islands and the Isle of Man, except for Compliance & Regulation where cover extends to the European Union.</p> <p>Limit of Indemnity The maximum the insurer will pay is £100,000.</p> <p>Period of Insurance Your policy runs for 12 months, though either party can cancel it earlier subject to the terms and conditions of the policy.</p>	<p>MEANING OF WORDS & TERMS</p> <p>MEANING OF WORDS & TERMS</p> <p>MEANING OF WORDS & TERMS</p>

WHAT IS INSURED

For those Insured Events shown in the schedule, the insurer will pay the insured's legal costs & expenses (and compensation awards under Insured Event 2) up to the limit of indemnity, including the cost of appeals provided that:

- 1) you have paid the insurance premium
- 2) the Insured Event arises in connection with the business shown in the schedule and occurs within the territorial limit
- 3) the claim
 - i always has reasonable prospects of success
 - i is reported to us
 - ó during the period of insurance
 - ó immediately after the insured first becomes aware of circumstances which could give rise to a claim under this policy
- 4) unless there is a conflict of interest, the insured always agrees to use the appointed advisor nominated by us in any claim
 - i falling under the jurisdiction of an Employment Tribunal or the small claims court, and/or
 - i prior to the issue of legal proceedings
- 5) any proceedings or hearing are dealt with by a court, tribunal or other body that we agree to, in the territorial limit

INSURED EVENTS

Automatic cover

1 EMPLOYMENT

Defending you in an employment dispute with an employee, ex-employee, prospective employee or trade union acting on their behalf, arising from a breach or an alleged breach of their

- a) contract of service with you and/or
- b) statutory rights under employment legislation.

An employment dispute is deemed to have occurred once all internal dismissal, disciplinary and grievance procedures as set out by the Advisory Conciliation and Arbitration Service in the ACAS code of practice on disciplinary and grievance procedures have been or ought to have been concluded.

What is not insured under Insured Event 1

Any claim:

1. for redundancy, alleged redundancy or unfair selection for redundancy, occurring during the first 180 days of this policy, except where you have had equivalent cover in force up until the start of this policy
2. arising from or relating to any transfer of business which falls under the scope of the Transfer of Undertakings (Protection of Employment) Regulations 2006
3. for legal costs & expenses relating to an internal disciplinary hearing or grievance.

2 EMPLOYMENT COMPENSATION AWARDS

Following a claim we have accepted under Insured Event 1 any

- a) basic and compensatory award made against you by a tribunal
- b) amount agreed by us in settlement of a dispute.

Provided that:

- (i) reasonable prospects of success exist for a wholly successful defence throughout
- (ii) in respect of compensation payable for redundancy, alleged redundancy or unfair selection for redundancy you have sought and followed advice from us or our agent throughout including prior to serving notice of the redundancy
- (iii) the compensation is awarded by a tribunal or through the ACAS Arbitration Scheme, under a judgment made after full argument other than by consent or default, or is payable under a settlement approved in writing by us.

What is not insured under Insured Event 2

Compensation awards relating to:

1. trade union activities, membership or non-membership, industrial or labour arbitration, collective bargaining agreements, trade union recognition or matters concerning European Works Council
2. money due to an employee under a contract of employment or a statutory provision relating thereto
3. your failure to comply with a reinstatement or re-engagement order
4. a breach of an employee's statutory rights under the National Minimum Wage Act 1998
5. civil claims or statutory rights relating to trustees of occupational pension schemes.

3 TAX PROTECTION

- a) A formal aspect or full enquiry into your business' tax affairs.
- b) An appeal following an assessment by HM Revenue & Customs relating to Value Added Tax.
- c) A dispute about your compliance with regulations relating to:

- i Pay As You Earn, or
- i Social Security, or
- i National Insurance Contributions

following a review by HM Revenue and Customs.

- d) A formal aspect or full enquiry into the personal tax affairs of your directors and/or partners, provided that:
 1. all returns are completed and have been submitted within the statutory timescales permitted
 2. in respect of an aspect enquiry, the insured is responsible for the excess as shown in the schedule.
 - 3.

What is not insured under Insured Event 3

Any claim arising from or relating to:

1. an investigation by the Specialist Investigations Branch of HM Revenue and Customs
2. an investigation under the Civil Investigation of Fraud procedure
3. a tax avoidance scheme
4. the submission of returns or accounts where the HM Revenue & Customs levy a penalty or claim for interest or which contain negligent misstatements or where the insured falls below the standard of a reasonably prudent businessperson in keeping books and records
5. your failure to register for VAT.

4 PROPERTY

A dispute relating to material property which you own or is your responsibility

- a) following an event which causes or could cause physical damage to your material property
- b) following a public or private nuisance or trespass
- c) which you wish to recover or repossess from an employee or ex-employee.
- d) with your business tenant that arises from a written lease agreement granted under the Landlord & Tenant Act 1954

Any claim arising from or relating to:

1. A contract between you and a third party except for claims brought under 4c) and 4d) above provided that in respect of 4d) you will not be insured for
 - a) negotiating a rent review or any dispute that arises from a disagreement with Your tenant over the revision of rent and service charges that shall be payable.
 - b) renewal of your lease agreement or the granting of a new tenancy other than where
 - i) you have a reasonable prospect of successfully opposing your tenant's right to a new or renewal tenancy under Section 30(1) of the Landlord and Tenant Act ; and
 - ii) you can demonstrate that you have served the correct legal notice to terminate on the tenant in the prescribed form before your tenant has served you with a request for a new tenancy .
2. defending any claim brought against you unless defending a counter-claim
3. any claim involving a motor vehicle whilst at your premises
4. goods in transit or goods lent or hired out
5. the compulsory purchase of, or restrictions or controls placed on your material property by any government, local or public authority.

5 COMPLIANCE & REGULATION

- a) Representing the insured when dealing with the police or Health & Safety Executive prior to the insured being charged.
- b) Defending the insured following an event other than a parking offence leading to the insured being prosecuted in a court of criminal jurisdiction.
- c) Representing you following a notice by the relevant authority to alter, suspend, revoke or refuse to renew your statutory licence.
- d) Appealing against the terms of a Statutory Notice served against you.
- e) Representing the insured at a formal investigation or disciplinary hearing by any trade association, professional or regulatory body.
- f) Defending you in a civil action alleging wrongful arrest arising from an allegation of theft.
- g) Defending the insured in a civil action for compensation under section 13 of the Data Protection Act 1998 including compensation awarded against the insured provided that you are registered with the Information Commissioner.
- h) The insured's loss of earnings while the insured is absent from work to attend court, tribunal, arbitration, disciplinary hearing or regulatory proceedings at the request of the appointed advisor or whilst on Jury Service. The amount we pay shall not exceed £100 per day or part thereof, less whatever is recoverable from the court or tribunal, subject to a maximum limit of £1,000.

6 EMPLOYEES' EXTRA PROTECTION

At your request:

- a) defending an employee in civil proceedings under legislation for unlawful discrimination on the grounds of sex, race, disability, sexual orientation, age, religious belief or political opinion
- b) defending an employee as a trustee of a pension fund set up for the benefit of your employees
- c) pursuing a claim following an event causing an employee or member of their family, death or bodily injury provided that the employee is under a contract of service with you.

WHAT IS NOT INSURED (applicable to the whole policy)

You are not insured for any claim arising from or relating to:

1. legal costs & expenses or compensation awards incurred before we accept a claim
2. any actual or alleged act, omission or dispute occurring prior to, or existing at the start of the policy, and which the insured knew or ought reasonably to have known could give rise to a claim under this policy
3. an allegation against the insured involving:
 - ó assault, violence or dishonesty;
 - ó malicious falsehood;
 - ó the manufacture, dealing in or use of alcohol, illegal drugs, indecent or obscene materials;
 - ó illegal immigration;
 - ó offences under Part 7 of the Proceeds of Crime Act 2002 (money laundering offences)

4. the defence of legal proceedings relating to
 - ó damages for personal injury (other than injury to feelings), or loss or damage to property owned by the insured
 - ó a breach or alleged breach of professional duty
 - ó any tortious liability except where covered under Insured Event 4 Property
5. fines, penalties or compensation except as covered under Insured Events 2 or 5
6. costs awarded against the insured by a court of criminal jurisdiction following a conviction
7. patents, copyright, trademarks, passing-off, trade or service marks, registered designs, secrecy and confidential information
8. a dispute with any subsidiary, parent, associated or sister company or between shareholders or partners
9. franchise rights or agency rights
10. a judicial review
11. a dispute with us or the insurer not dealt with under Condition 6
12. defamation
13. a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - b) radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
 - c) war, invasion, act of foreign enemy hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power
 - d) pressure waves from aircrafts or other aerial devices travelling at sonic or supersonic speed
 - e) any terrorist action (regardless of any other cause or event contributing concurrently or in any other sequence to the liability) or any action taken in controlling, preventing or suppressing terrorist action. If the insurer alleges that by reason of this exclusion any liability or loss is not covered by this policy, the burden of proving the contrary shall be upon the insured.

CONDITIONS WHICH APPLY TO THE WHOLE POLICY

Failure to keep to any of these conditions, without good reason, will lead the insurer to cancel your policy, refuse a claim or withdraw from an ongoing claim. The insurer also reserves the right to recover legal costs & expenses from the insured should this occur.

1. The Insured's Responsibilities

An insured must:

 - a) observe and keep to the terms of the policy
 - b) not do anything that hinders us or the appointed advisor
 - c) tell us immediately after first becoming aware of any cause, event or circumstances which could give rise to a claim under this policy
 - d) cooperate fully with the appointed advisor and us, give the appointed advisor any instructions we require, and keep them updated with progress of the claim
 - e) provide us with everything we need to help us handle the claim
 - f) take reasonable steps to recover legal costs & expenses that the insurer pays and pay to the insurer all costs that are recovered should these be paid to the insured
 - g) tell the appointed advisor to have the legal costs & expenses assessed or audited if we require
 - h) minimise any legal costs & expenses and try to prevent anything happening that may cause a claim
 - i) allow the insurer at any time to take over and conduct in the insured's name, any claim, proceeding or investigation.
2. The Appointed Advisor
 - a) In certain circumstances as set out in 2 c) below, the insured may choose an appointed advisor. In all other cases no such right exists and we shall choose the appointed advisor.
 - b) Where the insured wishes to exercise their right to choose, they should write to us with their nominated representative's name and address. The insured's nominated representative must agree to act under our standard terms of business and cooperate with us at all times. If we disagree over the appointment of an appointed advisor then we will agree for another suitably qualified person to decide the matter.
 - c) If we agree to start legal proceedings and the court or tribunal requires any representative to be legally qualified, or there is a conflict of interest, the insured may choose a suitably qualified appointed advisor. The right of the insured to choose never applies to Employment Tribunal, tax protection or small claims court claims unless there is a conflict of interest.
 - d) If the appointed advisor refuses to continue acting for the insured with good reason, the insured dismisses the appointed advisor without good reason, or the insured withdraws from the claim without our agreement, cover will end immediately unless we agree to appoint another appointed advisor.
3. Our Consent

We must give our written consent to the insured to incur legal costs & expenses or compensation awards. The insurer does not accept liability for legal costs & expenses or compensation awards incurred without our written consent.
4. Settlement
 - a) The insurer has the right to settle the claim by paying the reasonable value of the claim.
 - b) The insured must not negotiate, settle the claim or agree to pay legal costs & expenses incurred without our written agreement.
 - c) If the insured refuses to settle the claim following
 - (i) a reasonable offer, or
 - (ii) advice to do so from the appointed advisor
 the insurer may refuse to pay further legal costs & expenses.
5. Counsel's Opinion

We may require the insured to obtain and pay for an opinion from counsel regarding the merits or value of the claim. If the opinion supports the insured then the insurer will pay for the opinion.

6. **Arbitration**
If there is a dispute between the insured and us about the handling of a claim or the choice of an appointed advisor, that is not resolved throughout our internal complaints procedure, the matter will be referred to a suitably qualified person agreed upon by both parties. The loser of the dispute shall be liable to pay the costs incurred. If we fail to agree on a suitable person we will ask the President of the relevant Law Society to nominate.
7. **Dual Insurance**
The insurer will not pay for any claim covered by another policy, or any claim that would have been covered by any other policy if this policy did not exist.
8. **Fraudulent Claims**
If the insured makes any claim under the policy which is fraudulent or false, the policy shall become void and all benefits under it will be forfeited including the premium.
9. **Cancellation**
The insurer may cancel the policy at any time by giving at least 21 days' written notice to you. The insurer will refund part of the premium for the unexpired period.
10. **Acts of Parliament & Jurisdiction**
All Acts of Parliament referred to within the policy shall include equivalent legislation in Scotland, Northern Ireland, the Isle of Man and the Channel Islands and any subsequent amendment or replacement legislation.
This policy will be governed by English Law.
11. **Data Protection Act 1998**
It is agreed by the insured that any information provided to us and/or the insurer regarding the insured will be processed by us and/or the insurer, in compliance with the provisions of the Data Protection Act 1998, for the purpose of providing insurance and handling claims, if any, which may necessitate providing such information to third parties.
12. **Contracts (Rights of Third Parties) Act 1999**
A person who is not party to this contract has no right to enforce the terms and conditions of this policy under the Contracts (Rights of Third Parties) Act 1999.

MEANING OF WORDS & TERMS

Certain words and terms contained in this policy have been defined as they have the same meaning wherever they appear.

Appointed Advisor

The solicitor, accountant, or other advisor appointed by us to act on behalf of the insured under the terms of the policy.

Conditional Fee Agreement

The separate agreement between the insured and the appointed advisor for paying his or her professional fees which is an enforceable conditional fee agreement within the meaning of sections 58, 58A, Courts and Legal Services Act 1990 (as substituted and inserted by section 27, Access to Justice Act 1999), the format and contents of which have been agreed to by us before it is entered into.

Collective Conditional Fee Agreement

The separate agreement between the appointed advisor and us for paying his or her professional fees which is an enforceable conditional fee agreement within the meaning of sections 58, 58A, Courts and Legal Services Act 1990 (as substituted and inserted by section 27, Access to Justice Act 1999) which does not refer to specific proceedings but which provides for the appointed advisor's fees and expenses to be payable on a common basis.

Excess

The first amount of any claim.

Insured

- (a) You, your directors, partners, managers, officers and employees of your business.
- (b) The estate, heirs, legal representatives or assigns of any persons mentioned in (a) in the event of such person dying.
- (c) A person declared to us, who is contracted to perform work for you, who is in all other respects insured by you on the same basis as your other employees and who performs work under your supervision.

Insurer

Brit Syndicate 2987 at Lloyd's (written under unique market reference B0356KA233D12A000 or replacement thereof).

Legal Costs & Expenses

- 1) In respect of all Insured Events other than as provided for in 2) below.
 - a) Reasonable legal costs, fees and disbursements reasonably and proportionately incurred by the appointed advisor on the Standard Basis and agreed in advance by us.
 - b) Reasonable accountancy fees, disbursements and other costs reasonably incurred by the appointed advisor and agreed in advance by us.
 - c) Other side's costs incurred in civil claims where the insured has been ordered to pay them or pays them with our agreement.
- 2) The insured's loss of earnings under Insured Event 5 h).

Limit of Indemnity

The maximum legal costs & expenses and compensation awards payable by the insurer in respect of all claims related by time or original cause, is £100,000. In respect of Insured Event 2 the maximum amount payable by the insurer in respect of all claims aggregated in any one period of insurance is £1,000,000.

Period of Insurance

The period as shown in your schedule.

Reasonable Prospects of Success

In civil proceedings and criminal prosecution claims (except where the insured pleads guilty), where the insured has a greater than 50% chance of successfully pursuing or defending their claim. If the insured is seeking damages or compensation, there must also be a greater than 50% chance of enforcing any judgment that might be obtained.

In criminal prosecution claims where the insured pleads guilty, where there is a greater than 50% chance of successfully mitigating the insured's sentence or fine. In tax claims, any dispute or appeal where the insured has a greater than 50% chance of being successful.

In all claims involving an appeal, where the insured has a greater than 50% chance of being successful.

Small Claims Court

A court in England & Wales that hears a claim falling under the Small Claims Track in the County Court as defined by Section 26.6 (1) of the Civil Procedure Rules 1999.

Territorial Limit

For Insured Event 5 the United Kingdom, Channel Islands, Isle of Man and countries in the European Union.

For all other Insured Events the United Kingdom, Channel Islands and the Isle of Man.

We/Us/Our

ARAG plc who are authorised under a binding authority agreement to administer this insurance on behalf of the insurer, Brit Syndicates 2987 at Lloyd's.

You/Your

The business named in the schedule, including any subsidiary and/or associated companies declared to us.

Complaints

ARAG is committed to providing a first class service at all times. However, if a complaint arises, this should be addressed to our Customer Relations Department where we will arrange to have it reviewed at the appropriate level. We can be reached in the following ways:

ARAG plc, 9 Whiteladies Road, Clifton, Bristol, BS8 1NN

customerrelations@arag.co.uk

0844 472 2938 (hours of operation are 9am-5pm, Monday to Friday excluding bank holidays, for our mutual protection and training purposes, calls may be recorded).

If a complaint remains unresolved, you may refer it to the Financial Ombudsman Service (FOS) provided that it falls within their jurisdiction. The FOS can normally deal with complaints from small businesses with an annual turnover of less than €2 million. They can be contacted at:

Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR

enquiries@financial-ombudsman.org.uk

0845 080 1800

The FOS's decision is binding upon the insurer, but you are free to reject it without affecting your legal rights.

If you do not accept the decision of the FOS, or your complaint cannot be dealt with by the FOS, it can be referred for independent arbitration as explained in condition 6 of the policy. The arbitration shall be subject to the Arbitration Acts and the arbitrator's decision shall be binding on the parties.

ARAG plc Registered in England number 02585818.

Registered address: 9 Whiteladies Road, Clifton, Bristol BS8 1NN

ARAG plc and Brit Syndicate 2987 at Lloyd's managed by Brit Syndicates Limited are authorised and regulated by the Financial Services Authority, registration number 452369 and 204930 respectively. This can be checked by visiting the FSA website at www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234. ARAG plc is covered by the Financial Ombudsman Service.

www.ARAG.co.uk