



Kay International
Insurance & Reinsurance

Property Owner's Certificate

Please read this documentation carefully to make sure it meets your needs.

YOUR OBLIGATIONS (Not Applicable to a **Consumer insurance contract**)

Pre-Inception and at Renewal

The **Insured** has an obligation before contracting for insurance and prior to renewal and when requesting any changes to the **Certificate** to disclose to **Underwriters** all material facts and not to misrepresent them. If the **Insured** fails to comply with this obligation, this may render the contract voidable from inception and/or from renewal.

Material facts are those which are relevant to the underwriting of the risk. They may be relevant either to the physical risk or to the personal background and characteristics (including the financial history) of the **Insured**, its employees, senior management, directors, partners and owners of the **Insured**. The **Insured** should have a system in place to ensure that all material facts are disclosed.

Should the **Insured** be in any doubt as to whether it has complied with this obligation and/or as to whether information is material then, without prejudice to **Underwriter's** right to avoid in this respect, the **Insured** should contact the **Insured's** broker without delay to see whether **Underwriters** are prepared to stay on risk and, if so, upon what terms. If the **Insured** is in doubt as to whether any particular information is material then the **Insured** should disclose it.

During the currency of the Certificate

The **Certificate** contains certain obligations with which the **Insured** must comply. These obligations are, each of them, **Conditions Precedent**. In the event that the **Insured** is in breach of a **Condition Precedent** at the time of a loss then **Underwriters** will have no obligation to indemnify the **Insured** in relation to any claim for that loss whether or not there is a causal connection between the loss, the claim and the breach.

YOUR OBLIGATIONS (Only Applicable to a **Consumer insurance contract**)

You must take all reasonable care to provide complete and accurate answers to the questions **we** ask when **you** take out, make changes to, and renew **your** policy.

Please tell **your** broker within 14 days of becoming aware of any changes to the information **you** provided when applying for this insurance. Please contact **your** broker if **you** require a copy of **your** application form / Statement of Fact or **your** schedule.

You must also tell **your** broker within 14 days of becoming aware:

- of any intended alterations, extensions or works to the buildings, other than **Renovation**
- of any change that may result in an amendment to the amounts insured or the limits that are shown in **your** schedule,
- of any change to the use or occupancy of the **Premises**.
- of any change to the fire or theft protections in force at the **Premises**
- of **You** having any criminal conviction or charge (other than motoring offences) brought against **You**, being declared bankrupt or being a director of any company that goes into liquidation, having a County Court judgement or arrangement with creditors brought against you, or having any other insurance cover refused, cancelled or special terms imposed

If **you** are in any doubt, please contact **your** broker.

When **we** are notified of a change, **we** will tell **you** whether this affects **your** policy. For example whether **we** are able to accept the change and if so, whether the change will result in revised terms and/or a revised premium being applied to **your** policy. If **we** are not able to accept the change and it becomes necessary to cancel this insurance, **we** will do so as described within the cancellation conditions contained within the policy.

Important Notice:

Please note that if the information provided by **you** is not complete and accurate, **we** may:-

- cancel **your** policy and refuse to pay any claim, or
- not pay any claim in full, or
- revise the premium and/or change any excess, or revise the extent of cover or terms of this insurance.

IMPORTANT

It is strongly recommended that the **Insured** reads the **Certificate** (to include the **Certificate Schedule** and any endorsements) to ensure that the **Certificate** accords with the **Insured's** wishes.

In the event that the **Certificate** does not comply with the **Insured's** wishes and/or that the **Insured** is unable to comply with any **Condition Precedent** then the **Insured** should contact the **Underwriters** through its broker. The **Underwriters** will then decide whether the **Underwriters** might be prepared to agree a variation of the policy. However, the terms of the **Certificate** will remain effective unless or until the **Insured** receives written confirmation of any such variation from **Underwriters**.

Certificate Definitions

Wherever the following words and phrases appear in the **Certificate** they will always have the same meaning

Annual Gross Rentals

The **Gross Rentals** during the twelve months 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 special 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**.

Building(s)

The building(s) situated at the address(es) specified in the **Schedule** which include;

- a) landlord's fixtures and fittings
 - b) annexes, gangways, outbuildings and extensions tenants improvements for which the landlord is responsible under the terms of the lease or other agreement under which the property is let
 - c) outbuildings, extensions, annexes, canopies, fixed signs, gangways, conveniences, lamp posts and street furniture
 - d) walls, gates and fences
 - e) drains, sewers, piping, ducting, cables, wires and associated control gear and accessories on the **Premises** and extending to the public mains, but only to the extent of **Your** responsibility
 - f) yards, car parks, roads and pavements, forecourts, all constructed of solid materials
 - g) landscaping, excluding external ponds and lakes
- all belonging to the **Insured** or for which the **Insured** is legally responsible.

Business

The ownership by the **Insured** of the **Property Insured** including;

- a) maintenance, occupation or use of the **Property Insured** by the **Insured**
- b) the provision and management of canteen, sports, social or welfare organisations for the benefit of **Employees** and fire, security, first aid, medical and ambulance services
- c) private work undertaken with the prior consent of the **Insured** by **Employees** for any director or senior official of the **Insured**.

Certificate

The entirety of the **Certificate** of insurance specified in the **Schedule** and/or contained in any and all endorsements or amendments forming part of the **Certificate** (whether or not such endorsements or amendments are agreed prior to the **Certificate** of insurance coming into force or at any time thereafter). All references to the terms of this **Certificate** shall be construed as references to the entire **Certificate**, including all terms conditions exclusions **Sums Insured excesses** deductibles limits **Schedules** endorsements amendments and any other written contractual provisions that form part of the **Certificate**.

Computer Virus

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".

Consumer

The individual who enters into a **Consumer insurance contract**, or proposes to do so

Consumer insurance contract

A contract of insurance between

- a) an individual who enters into the contract wholly or mainly for purposes unrelated to the individual's trade, business or profession, and
- b) a person who carries on the business of insurance and who becomes a party to the contract by way of that business (whether or not in accordance with permission for the purposes of the Financial Services and Markets Act 2000)

Certificate Definitions continued

Damage(d)

Accidental loss or destruction of or damage to the **Property Insured**.

This shall mean all individual losses or damage arising out of and directly occasioned by one event. However, if the following causes are insured by this **Certificate** the duration and extent of any one occurrence of **Damage** shall be limited to:

- a) 72 consecutive hours as regards a hurricane, a typhoon, windstorm, rainstorm, hailstorm and/or tornado;
- b) 72 consecutive hours as regards earthquake, tsunami or seaquake, and/or volcanic eruption;
- c) 72 consecutive hours and within the limits of one city, town or village as regards riots, civil commotions and malicious damage;
- d) 72 consecutive hours as regards any **Damage** which includes individual loss or losses from any of the causes mentioned in a), b) and c) above;

and no individual loss from whatever insured cause, which occurs outside these periods or areas, shall be included in any one occurrence of **Damage**.

The **Insured** may choose the date and time when any such period of consecutive hours commences and if any event is of greater duration than the above period, the **Insured** may divide that event into two or more occurrences of **Damage** provided no two periods overlap and provided no period commences earlier than the date and time of the happening of the first recorded individual loss to the **Insured** in that event during the **Period of Insurance**.

Defined Peril (Unoccupied Premises)

The words **Defined Peril** shall mean fire, lightning, explosion and aircraft

Defined Peril (Occupied Premises)

The words **Defined Peril** shall mean 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, theft, earthquake, storm, flood, overflowing or leaking of any sprinkler apparatus, escape of water from any tank apparatus or pipe, impact by any road vehicle or animal, falling trees branches and falling aerals.

Electronic Data

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.

Employee(s)

- a) Any person under a contract of service or apprenticeship with the **Insured**
- b) Any person who is hired to or borrowed by the **Insured**
- c) Any person engaged in connection with a work experience or training scheme
- d) Any labour master or person supplied by him
- e) Any person engaged by labour-only sub-contractors
- f) Any self-employed person working on a labour only basis under the control or supervision of the **Insured**.
- g) Any voluntary helper;

while working for **You** in connection with the **Business**

Excess

The first part of each and every loss which the **Insured** must bear after the application of any condition of average.

Glass

All fixed plain sheet or plain glass in windows, doors, fanlights, skylights, partitions, furniture, display and show cases, counters or shelves or mirrored glass fixed hand basins, lavatory bowls, bidets, shower trays and baths including lettering, embossing, beading, silvering or ornamental work at the **Premises** stated in the **Schedule**.

Gross Rentals

The money paid or payable to the **Insured** for tenancies and associated income derived from the letting of the **Premises**.

Certificate Definitions continued

Indemnity Period

The period beginning with the occurrence of the **Damage** and ending not later than the number of months thereafter stated in the **Schedule** during which the results of the **Business** shall be affected in consequence of the **Damage**.

Injury

Bodily injury, death, disease, illness or nervous shock.

Insured(s)/You(r)

The firm, company or individual named in the **Schedule**.

Landlords Contents

Furniture, furnishings, fitted carpets, domestic appliances and fixtures and fittings all belonging to the **Insured** or for which the **Insured** is responsible whilst contained in the **Buildings** insured by this section excluding:-

- a) Any item falling under the definition of **Building(s)**
- b) Stock and materials in trade
- c) Property more specifically insured.

Offshore

From the time of embarkation onto a conveyance at the point of final departure from land to any offshore rig or any offshore platform and until such time of disembarkation from a conveyance onto land upon return from any offshore rig or any offshore platform.

Outstanding Debit Balances

The total amount due to the **Insured** at the date of the **Damage** less bad debts.

Period of Insurance

The period of insurance specified in the **Schedule**

Premises

The Address(es) specified in the **Schedule**.

Property Insured

The **Buildings** and **Landlords Contents** at the **Premises**, all as defined in these Definitions, if and to the extent they are included as **Property Insured** in the **Schedule**.

Proposal

The signed Proposal form Statement of Fact and any additional information supplied to the **Underwriters** by or on behalf of the **Insured**.

Renovation

Internal painting and decorating, tiling, replacement of bathroom and/or kitchen fixtures and fittings including sinks, wash basin, w.c., bath and shower, carpeting, internal joinery, plastering, installation/repair of central heating and external window replacement, but all excluding any work involving the use of heat such as blow lamps, welding or cutting equipment or any work involving structural alteration or extensions.

Schedule(s)

The **Schedule** specifying the terms and extent of this **Certificate**.

Standard Gross Rentals

The Gross Rentals during that period in the twelve months immediately before 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 special 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**.

Sum Insured/Limit of Indemnity

The sum or limit specified in the **Schedule** as applying to the relevant Section of this **Certificate** or items insured.

Territorial Limits

Great Britain Northern Ireland the Channel Islands or the Isle of Man.

Certificate Definitions continued

Terrorism

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

Underwriters/We/Us

As shown on the Certification Clause on your **Schedule**

Unlawful Association

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 Terrorism Act 2000 or any similar legislation.

Unoccupied

When the **Premises** are closed for trade, untenanted or not resided at for a period in excess of seven consecutive days

Section 1 - Buildings

Unless Section 1.2 – Buildings (Standard Indemnity) is shown as applicable in the **Schedule**, **We** will indemnify **You** in accordance with the provisions of Section 1.1 – Buildings (Reinstatement basis of indemnity)

Section 1.1 – Buildings (Reinstatement Basis of Indemnity)

Cover and Basis of Indemnity

Underwriters agree that if, during the **Period of Insurance**, an item of **Property Insured** at the **Premises** sustains **Damage** by any **Defined Peril** then **Underwriters** will pay to the **Insured**:-

- (i) Where reinstatement or replacement takes place in accordance with the terms of the Special Conditions set out below, the **Cost of Reinstatement**;
- (ii) Where reinstatement or replacement does not take place in accordance with the terms of the Special Conditions set out below an indemnity on the basis of the terms and conditions set out at Section 1.2 of this **Certificate**.

Special Conditions

- i) **Underwriters'** liability for the repair or replacement of **Property Insured damaged** in part only shall not exceed the amount which would have been payable had such Property been wholly lost or destroyed.
- ii) No payment beyond the amount which would have been payable in the absence of this Reinstatement Basis of Indemnity shall be made:-
 - a. unless reinstatement commences and proceeds without unreasonable delay;
 - b. until the cost of reinstatement shall have been actually incurred;
 - c. if the **Property Insured** at the time of the **Damage** shall be insured by any other insurance effected by the **Insured** or on the **Insured's** behalf which is not upon the same basis of reinstatement.

Limit of Indemnity

Underwriters' liability in respect of all incidents of **Damage** to an item of **Property Insured** during the **Period of Insurance** shall be limited as follows:

- (i) If an individual **Sum Insured** is specified on the **Certificate Schedule** for that item, **Underwriters'** liability shall be limited to that **Sum Insured**;
- (ii) In any event, **Underwriters'** liability shall in no circumstances exceed, in the aggregate, the total **Sum Insured** for the category of **Property Insured** on the **Schedule** under which that item falls.

But:-

- (i) In the event that, at the time of **Damage** any **Buildings** are awaiting refurbishment, redevelopment or renovation, then **Underwriters** shall not be liable for any costs which would have been incurred by the **Insured** in the absence of such **Damage** as part of that work.
- (ii) In the event that, at the time of **Damage** any **Buildings** are the subject of an existing contract or order for demolition then **Underwriters'** liability shall be limited to **Removal of Debris**.

Excess

Underwriters will not indemnify the **Insured** for the amount of the **Excess** specified in the **Schedule**. The **Excess** shall not be reduced in the event that the **Average** clause applies to the **Insured's** claim.

Average

Each item insured under this Condition is declared to be separately subject to the following Condition of Average, namely;

If at the time of repair or rebuilding or replacement the **Cost of Reinstatement** which would have been incurred in reinstatement if the whole of the property by such item had been destroyed exceeds the **Sum insured** thereon at the commencement of any **Damage** to such property then the **Insured** shall be considered as being their own insurer for the difference between the **Sum Insured** and the sum representing the **cost of reinstatement** of the whole of the property and shall bear a rateable proportion of the loss accordingly.

General

All the terms and conditions of this **Policy** shall apply:-

- (a) where claims are payable under the provision of this Reinstatement Basis of Indemnity except insofar as it is varied hereby;
- (b) where claims are payable as if this Reinstatement Basis of Indemnity has not been incorporated pursuant to Section 1.1 of this **Certificate**.

Definitions

For the purposes of this clause:-

Cost of Reinstatement means

- i) the rebuilding or replacement of property lost or destroyed which provided **Underwriters'** liability is not increased may be carried out
 - a. in any manner suitable to both the **Insured's** and **Underwriters'** requirements;
 - b. on another site.
- ii) the repair or restoration of property damaged in either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new.

Including an allowance for **Removal of Debris, European Community and Public Authorities, Architects Surveyors Legal and Consulting Engineers Fees**

Removal of Debris means

Costs and expenses necessarily incurred by the **Insured** with the consent of the **Underwriters** in;

- a) removing debris
- b) dismantling and/or demolishing
- c) shoring up or propping of the portions of the **Property Insured**
- d) clearing drains sewers and gutters at the **Property Insured**

as a result of **Damage** hereby insured against

The **Underwriters** will not pay for any costs or expenses;

- 1) incurred in removing debris except from the site of such property destroyed or **Damaged** and the area immediately adjacent to such site
- 2) arising from pollution or contamination of property not insured by this Section

European Community and Public Authorities means

Such additional cost of reinstatement as may be incurred solely by reason of the necessity to comply with the Stipulations of;

- a) European Community Legislation or
- b) Building or other Regulations under or framed in pursuance of any Act of Parliament or Bye-Laws of any Public Authority (hereafter referred to as 'the Stipulations') which governs the construction, alteration and reinstatement of buildings.

Excluding;

- a) the cost incurred in complying with the Stipulations:-
 - i) in respect of **Damage** occurring prior to the granting of this **Certificate**
 - ii) in respect of **Damage** not insured by this Section
 - iii) under which notice has been served upon the **Insured** prior to the happening of the **Damage**
 - iv) for which at the time of **Damage** there is an existing requirement which has to be implemented within a given period
 - v) in respect of property entirely undamaged by any peril hereby insured against
- b) the additional cost that would have been required to make good the property lost destroyed or **Damaged** to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen
- c) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with the Stipulations.

Architects Surveyors Legal and Consulting Engineers Fees means

The reasonable cost of employing architects surveyors lawyers and consulting engineers in the reinstatement or repair of the **Property Insured** consequent upon its **Damage** but not for preparing any claim.

Section 1.2 – Buildings (Standard Indemnity)

(applicable unless Section 1.1 is specified in the **Certificate Schedule**)

Cover and Basis of Indemnity

Underwriters agree that if, during the **Period of Insurance**, an item of **Property Insured** at the **Premises** sustains **Damage** by any **Defined Peril** then **Underwriters** will pay to the **Insured** the value of the property at the time of its loss or destruction or the amount of damage (whichever is less) or, at **Underwriters'** option, reinstate, repair or replace such property or any part of it.

Limits of Liability

Underwriters' liability in respect of all incidents of **Damage** to an item of **Property Insured** during the **Period of Insurance** shall be limited as follows:-

- (i) If an individual **Sum Insured** is specified on the **Certificate Schedule** for that item, **Underwriters'** liability shall be limited to that **Sum Insured**.
- (ii) In any event, **Underwriters'** liability shall in no circumstances exceed, in the aggregate, the total **Sum Insured** for the category of **Property Insured** on the **Certificate Schedule** under which that item falls.

But:-

- (i) In the event that, at the time of **Damage** any **Buildings** are awaiting refurbishment, redevelopment or renovation, then **Underwriters** shall not be liable for any costs which would have been incurred by the **Insured** in the absence of such **Damage** as part of that work..
- (ii) In the event that, at the time of **Damage** any **Buildings** are the subject of an existing contract or order for demolition then **Underwriters'** liability shall be limited to **Debris Removal Costs**.

Excess

Underwriters will not indemnify the **Insured** for the amount of the **Excess** specified in the **Schedule**. The **Excess** shall not be reduced in the event that the **Average** clause applies to the **Insured's** claim.

If **Underwriters** opt to reinstate, repair or replace the item in accordance with their rights as set out above, the **Insured** will be responsible for paying the **Excess** directly to the supplier or contractor instructed by **Underwriters** to carry out the work unless the cost of the work is less than the **Excess** in which case the **Insured** will pay such lesser amount.

Average

The **Sum Insured** by each item is separately declared to be subject to Average.

In the event that the **Sum Insured** for any such item shall, at the commencement of **Damage**, be less than the value of the property covered, then the amount payable by **Underwriters** shall be proportionately reduced.

Extensions Applicable to Section 1 – Buildings

Landlords Contents

This Section extends to include **Damage** to **Landlords Contents** for the **Sum Insured** stated in the **Schedule**. However, if, at the time of any **Damage**, the **Sum Insured** stated in the **Schedule** is less than the full value of the **Property Insured** by that item, the amount payable by the **Underwriters** will be proportionately reduced.

Reinstatement of Sum Insured

In the event of loss the **Sum Insured** by this Section will be automatically reinstated from the date of the loss unless written notice is given to the contrary either by the **Underwriters** or by the **Insured** and the **Insured** undertakes to pay such necessary premiums as may be required for such reinstatement from that date.

Sale of Property Insured

If at the time of **Damage** to any **Building** insured under this Section the **Insured** shall have contracted to sell the interest of the **Insured** in such **Building** and the purchase shall not have been but shall be thereafter completed the purchaser on completion of the purchase if and so far as the property is not otherwise insured by or on behalf of the purchaser against such **Damage** shall be entitled to the benefits of this Section of the **Certificate** so far as it relates to such **Damage** without prejudice to the rights and liabilities of the **Insured** or the **Underwriters** under this Section up to the date of completion.

Services Clause

The insurance by each item of **Property Insured** extends to cover telephones, gas, water and electric instruments, meters, piping, cabling and accessories including similar property in the adjoining yards and roadways or underground (and pertaining to any **Building** insured by this section), all belonging to the **Insured** or for which the **Insured** is responsible.

In addition to the **Sums Insured** stated in the **Schedule**, **Underwriters** will pay the following:

Additional Metered Water Charges

Additional metered water charges incurred by the **Insured** as a result of **Damage** except those in respect of any loss which has not been discovered and remedial action taken within thirty days of the occurrence of the **Damage** provided that the maximum amount payable under this extension in any one **Period of Insurance** shall not exceed GBP 5,000.

Book Debts

In the event of loss, destruction of, or **Damage** to, the **Insured's** books of account or other business books or records at the **Premises** during the **Period of Insurance** by any peril insured against hereby (loss, destruction or **Damage** so caused being hereinafter termed **Damage**) and the **Insured** be in consequence thereof unable to trace or establish the **Outstanding Debit Balances** in whole or in part due to them then the **Underwriters** will pay to the **Insured** the amount of loss resulting from such **Damage** in accordance with the provisions herein contained.

Provided that the liability of **Underwriters** shall not exceed:

the Total **Sum Insured** stated in the **Schedule** at the time of the **Damage**
the **Sum Insured** remaining after deduction for any other **Damage** during the same **Period of Insurance**, unless the **Underwriters** shall have agreed to reinstate any such **Sum Insured**.

The insurance hereunder is limited to the loss sustained by the **Insured** in respect of **Outstanding Debit Balances** directly due to the **Damage** and the amount payable in respect of any one occurrence of **Damage** shall not exceed;

- 1) the difference between:
 - a) **Outstanding Debit Balances** and
 - 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 Customers' debit balances after the **Damage** provided that if the **Sum Insured** by this Item be less than the **Outstanding Debit Balances** the amount payable shall be proportionately reduced.

The **Underwriters** will pay the reasonable charges payable by the **Insured** to their Professional Accountants for producing any particulars or details or any other proofs, information or evidence as may be required by the **Underwriters** under the terms of this **Certificate** and reporting that such particulars or details are in accordance with the **Insureds** books of account or other business books or documents provided that the sum of the amount payable under this clause and that amount otherwise payable under this Section shall in no case exceed the Total **Sum Insured** hereby.

Extensions Applicable to Section 1 – Buildings continued

Capital Additions

Subject to its terms and conditions;

- a) any newly acquired and/or newly erected buildings or buildings in course of erection (excluding any property for which a building contractor is responsible) insofar as the same are not otherwise insured

and
- b) alterations additions and improvements to buildings but not in respect of any appreciation in value

anywhere in the United Kingdom provided that;

- i) at any one situation this cover shall not exceed 10% of the **Sum Insured** by this Section but in no case exceeding GBP 1,000,000
- ii) the **Insured** undertakes to give particulars of such extension of cover as soon as practicable and in any event within 6 months of any newly acquired and/or newly erected buildings or alterations additions and improvements to buildings and to effect specific insurance thereon retrospective to the date of the commencement of the **Underwriters'** liability
- iii) the provisions of this extension shall be fully maintained notwithstanding any specific insurance effected under (ii) above.

Damage to Landscaped Gardens

The cost of restoring any **Damage** to landscaped gardens including trees by the Emergency Services in attending the **Premises** as a result of **Damage** insured by this Section provided that the maximum amount payable under this extension in any one **Period of Insurance** shall not exceed GBP 25,000.

Damage to Cables and Underground Pipes

The cost of repairing **Damage** for which the **Insured** is responsible to cables and underground pipes and drains (and their inspection covers) on the **Property Insured** or connecting them to the public mains subject to the terms and conditions of the **Certificate** provided that the maximum amount payable under this extension in any one **Period of Insurance** shall not exceed GBP 5,000.

Extinguishment and Alarm Resetting Expenses

The reasonable costs incurred by the **Insured** in refilling fire extinguishing appliances replacing used sprinkler heads and resetting fire or intruder alarms as a result of **Damage** to the **Property Insured** provided that the maximum amount payable under this extension in any one **Period of Insurance** shall not exceed GBP 5,000.

Glass

Breakage of **Glass** at the **Premises** as specified in the **Schedule** including;

- a) The reasonable cost of boarding up rendered necessary by such breakage
- b) The reasonable cost of repairing or replacing window frames and framework consequent upon the breakage of **Glass**
- c) The reasonable cost of refitting alarm foil consequent upon the breakage of **Glass**.

The liability of the **Underwriters** under this Extension does not cover;

- a) The amount of the **Excess** specified in the **Schedule**
- b) Consequential loss of any kind or description except as stated herein to the contrary
- c) Any breakage arising directly or indirectly from: -
 - i) alterations or repairs to the **Premises** or occurring whilst the **Premises** are empty or not in use
 - ii) defects in frames, framework or other fittings.

Provided that the liability of **Underwriters** shall not exceed the **Sum Insured** stated in the **Schedule** at the time of the **Damage**.

Personal Possessions

Directors, partners, customers, visitors and **Employees** personal effects of every description (other than motor vehicles) within the **Premises** insofar as they are not otherwise insured for an amount not exceeding GBP 500 in respect of any one person.

Extensions Applicable to Section 1 – Buildings continued

Removal of Debris - Tenants Contents

The irrecoverable costs and expenses (insofar as they are not otherwise insured) necessarily incurred by the **Insured** with the consent of the **Underwriters** in removing from the **Property Insured** the debris of contents (not being the property of the **Insured**) as a result of **Damage** hereby insured against.

The **Underwriters** will not pay for any costs or expenses;

- 1) incurred in removing debris except from the site of such property destroyed or **Damaged** and the area immediately adjacent to such site
- 2) arising from pollution or contamination of property not insured by this Section

Provided that the maximum amount payable under this extension in any one **Period of Insurance** shall not exceed GBP 5,000.

Theft of Keys

The reasonable costs necessarily incurred in replacing external door locks at the **Property Insured** following the loss of keys by;

- a) theft from the **Property Insured** or Registered Office or from the home of
- b) theft following hold-up whilst such keys are in the personal custody of

the **Insured** or any principal, director, partner or **Employee** authorised to hold such keys or reasonable evidence that the keys have been duplicated by an unauthorised person.

Provided that the maximum amount payable under this Extension in any one **Period of Insurance** shall not exceed GBP 1,000.

Trace and Access

The reasonable costs necessarily incurred by the **Insured** in locating the source and subsequent making good of **Damage** resulting from;

- a) the escape of water from any tank, apparatus or pipe serving the **Property Insured**
- b) accidental **Damage** to cables, underground pipes and drains serving the **Property Insured**

Provided that in respect of a) the **Defined Peril** of escape of water from any tank apparatus or pipe is operative or in respect of b) **PO1 - Accidental Damage Extension** is operative.

The maximum amount payable under this Extension shall not exceed in any one **Period of Insurance** GBP 5,000.

Unauthorised Use of Utilities

The cost of metered electricity, gas or water for which the **Insured** are legally responsible arising from its unauthorised use by persons taking possession keeping possession or occupying the **Property Insured** without the **Insured's** authority provided that the **Insured** shall take all practical steps to terminate such unauthorised use as soon as it is discovered and provided further that the maximum amount payable under this Extension shall not exceed in any one **Period of Insurance** GBP 10,000.

Conditions applicable to Section 1 - Buildings

Mortgagees and Other Interests

The interest of the Leaseholder(s), Mortgagee(s) and Tenant(s) in the individual portions of the **Property Insured** to which their interest applies is noted such interest to be advised to the **Underwriters** in the event of a claim. In addition, if, without the knowledge of the **Insured** or Mortgagee(s) or in circumstances that are beyond their control, there is a change in the use of the Premises which constitutes an increase in the risk of **Damage**, cover under this **Certificate** shall not be prejudiced provided that the **Insured** or Mortgagees shall immediately on becoming aware thereof give notice in writing to the **Underwriters** and on demand pay such reasonable additional premium as the **Underwriters** may require.

Repairs and Alterations

Joiners and other tradesmen may be employed to effect **Renovation** in the **Premises** without prejudice to the insurance hereby.

Subrogation Waiver

In the event of a claim arising under this Section the **Underwriters** agree to waive any rights remedies or relief to which they might have become entitled by subrogation against;

- a) any company standing in relation of Parent to Subsidiary (Subsidiary to Parent) to the **Insured** as defined in the Companies Act or the Companies (N.I.) Order as appropriate current at the time of **Damage**
- b) any company which is a subsidiary of a Parent Company of which the **Insured** are themselves a Subsidiary in each case within the meaning of the Companies Act or the Companies (N.I.) Order as appropriate current at the time of **Damage**
- c) any tenant provided that;
 - i) the **Damage** did not result from a criminal fraudulent or malicious act of the tenant and
 - ii) the tenant contributes to the cost of insuring the **Property Insured** against the event which caused the **Damage**.

Unoccupied Buildings

- a) Whenever the **Property Insured** by this Section or any part of is **Unoccupied** the **Unoccupancy Conditions** will apply
- b) The **Underwriters** must be notified in writing immediately if any **Unoccupied Building** or **Unoccupied** portion of a **Building** insured hereby becomes occupied or any occupied **Building** becomes **Unoccupied** and a suitable extra premium paid if required.

If the **Insured** fails to comply with this Condition, this **Certificate** shall be terminated with immediate effect.

Value Added Tax

To the extent that the **Insured** are registered with and accountable to or should, according to the applicable laws at the time, be registered with and accountable to the tax authorities for Value Added Tax all terms in this Section shall be exclusive of such tax.

Section 2 – Rental Income

In the event of **Damage** to the **Property Insured** under Section 1 (hereinafter called the **Premises**) and the **Business** carried on by the **Insured** at the **Premises** stated in the **Schedule** being in consequence thereof interrupted or interfered with the **Underwriters** will (subject to the terms definitions exclusions and conditions of the **Certificate**) pay the **Insured** the amount of loss arising as a result in accordance with the following provisions.

The insurance is limited to loss due to;

- i) loss of **Gross Rentals**
- ii) increase in cost of working

and the amount payable as indemnity thereunder shall be;

- i) the amount by which the **Gross Rentals** during the **Indemnity Period** shall in consequence of the **Damage** fall short of the **Standard Gross Rentals**
- ii) the additional expenditure necessarily and reasonably incurred including the cost of re-letting the **Premises** (including legal fees) for the sole purpose of avoiding or diminishing the loss of **Gross Rentals** which but for that expenditure would have taken place during the **Indemnity Period** in consequence of the **Damage** but not exceeding the amount of the reduction in **Gross Rentals** thereby avoided

less any sum saved during the **Indemnity Period** in respect of such charges or expenses of the **Business** as may cease or be reduced in the consequence of the **Damage**

provided that;

- 1) payment shall have been made or liability admitted under Section 1 of this **Certificate** in respect of such **Damage**
- 2) if the **Sum Insured** by this Section be less than twice the **Annual Gross Rentals** (or to a proportionately reduced multiple where the **Indemnity Period** is less than 24 months or to a proportionately increased multiple where the **Indemnity Period** is greater than 24 months) the amount payable shall be proportionately reduced.

Alternative Trading

If during the **Indemnity Period** accommodation shall be provided or services rendered elsewhere other than at the **Premises** for the benefit of the **Business** either by the **Insured** or others on their behalf the money paid or payable in respect of such accommodation and services shall be brought into account in arriving at the **Gross Rentals** during the **Indemnity Period**.

Automatic Rent Review

Where the **Gross Rentals** are subject to a rent review during the **Period of Insurance** the relevant **Sum Insured** will be automatically increased to reflect the revised **Gross Rentals** earned up to a maximum increase of 100% of the **Sum Insured** on **Gross Rentals** stated in the **Schedule**.

No additional premium will be charged for this increase in cover during the **Period of Insurance** provided that the **Insured** advises **Underwriters**, prior to renewal, of the revised **Gross Rentals** for the ensuing **Period of Insurance**.

Bomb scare or Unlawful Occupation

This Section extends to include within the **Sum Insured** interruption of or interference with the **Business** due to;

- a) the suspected or actual presence of an incendiary or explosive device on or in the vicinity of the **Premises**
- b) occupation of the **Premises** or other property in the vicinity by members of a terrorist or criminal organisation or unlawful occupants

Provided the **Underwriters** will not be liable for;

- i) any incident involving an interruption of less than 48 hours duration
- ii) any period other than the actual period of prevention or hindrance of access to the **Premises**
- iii) eviction costs

The Insurance by this Clause shall only apply for the period beginning with the loss and ending not later than three months thereafter during which the results of the **Business** shall be affected in consequence of a) or b) above.

Section 2 – Rental Income continued

Buildings Awaiting Sale

If at the time of the **Damage** the **Insured** has contracted to sell his interest in the **Buildings** and the sale is cancelled or delayed solely in consequence of the **Damage** the amount payable under this Section may at the **Insured's** option be amended as follows;

- a) during the period prior to the date upon which but for the **Damage** the sale of the **Buildings** would have been completed:
reduction in **Gross Rentals**, being the amount by which the **Gross Rentals** earned during the **Indemnity Period** will, in consequence of the **Damage**, fall short of the **Standard Gross Rentals**
- b) during the period commencing with the date upon which but for the **Damage** the sale of the **Buildings** would have been completed and ending with the actual date of sale or with the expiry of the **Indemnity Period** if earlier:
the loss of interest, being:
 - i) reasonable interest actually incurred on capital borrowed in connection with the **Business** solely to replace (in whole or in part) the loss of use of the sale proceeds
 - ii) reasonable investment interest lost on any balance of the sale proceeds (after deduction of any capital borrowed as provided for under i. above)
- c) additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or minimising the loss payable under paragraphs a or b above, but not exceeding the amount of the reduction avoided by such expenditure.

Provided that the liability of the **Underwriters** under this Extension and the section will not exceed the **Sum Insured** set against the item on **Gross Rentals** in the **Schedule** plus any payment under the Automatic Rent Review Extension in any one **Period of Insurance**.

Capital Additions

This Section extends to include within the **Sum Insured Gross Rentals** in respect of;

- a) alterations, additions, extensions and improvements to the **Premises** insured
- b) newly acquired and or newly erected buildings anywhere in the United Kingdom provided they are not otherwise insured

Provided that;

- i) at any one **Premises** the cover shall not exceed 10% of the total **Sum Insured** on **Gross Rentals** or GBP 1,000,000 whichever is the less
- ii) the **Insured** undertakes to give particulars of such extension of cover as soon as practicable and in any event within 6 months of any newly acquired and/or newly erected buildings or alterations, additions and improvements to buildings and to effect specific insurance thereon retrospective to the date of the commencement of the **Underwriters** liability
- iii) the provisions of this Clause shall be fully maintained notwithstanding any specific insurance effected under ii) above.

Denial of Access and Loss or Damage at Managing Agents Premises

Subject to the conditions of the **Certificate** loss resulting from interruption of or interference with the **Business** in consequence of **Damage**;

- a) 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 **Insured** therein shall be **Damaged** or not (but excluding loss, destruction of or **Damage** to property of any supply undertaking from which the **Insured** obtains electricity, gas or water or telecommunications services which prevent or hinder the supply of such services)
- b) to property at the **Premises** of the **Insureds** Managing Agents

shall be deemed to be loss resulting from **Damage** to **Property** at the **Premises**.

Section 2 – Rental Income *continued*

Failure of Public Supply

Subject to the conditions of the **Certificate** loss resulting from interruption of or interference with the **Business** in consequence of **Damage** to property at any;

- a) generating station or sub station of the public electricity supply undertaking
- b) land based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith
- c) water works and pumping stations of the public water supply undertaking
- d) land based premises of the public telecommunications undertaking

from which the **Insured** obtains electricity, gas, water or telecommunication services within the **Territorial Limits** shall be deemed to be loss resulting from **Damage to Property** at the **Premises**.

Limit of Liability

The maximum payable during any **Period of Insurance** under this Section is the **Sum Insured** shown in the **Schedule** plus any payment made under the Rent Review Extension.

Loss of Attraction

Subject to the conditions of the **Certificate** loss resulting from interruption of or interference with the **Business** in consequence of **Damage** to property in the vicinity of the **Premises** which shall deter potential tenants whether the **Premises** of the **Insured** or property of the **Insured** therein shall be **Damaged** or not shall be deemed to be loss resulting from **Damage to Property** at the **Premises**

provided that the maximum amount payable under this Clause in any **Period of Insurance** shall not exceed;

- a) GBP 50,000 or the **Sum Insured** in respect of each **Premises** whichever is the less
- b) GBP 250,000 in aggregate.

Murder Suicide or Disease

The **Underwriters** shall indemnify the **Insured** in respect of **Damage** resulting from interruption of or interference with the **Business** during the **Indemnity Period** following;

- a) any human infectious or human contagious disease (excluding Acquired Immune Deficiency Syndrome (AIDS) or any AIDS related condition) an outbreak of which the local authority has stipulated shall be notified to them manifested by any person whilst in the **Premises** or within a 25 miles radius of it
- b) murder or suicide in the **Premises**
- c) **Injury** or illness sustained by any person arising from or traceable to foreign or injurious matter in food or drink provided in the **Premises**
- d) vermin or pests in the **Premises**
- e) the closing of the whole or part of the **Premises** by order of a competent public authority consequent upon defect in the drains or other sanitary arrangements at the **Premises**

The insurance by this Extension shall only apply for the period beginning with the occurrence of the loss and ending not later than three months thereafter during which the results of the **Business** shall be affected in consequence of the **Damage**.

New Business

For the purpose of any claim arising from **Damage** occurring before the completion of the first years trading of the **Business** at the **Premises** Definitions **Annual Gross Rentals** and **Standard Gross Rentals** shall bear the following meanings and not as within stated;

- Annual Gross Rentals - The proportional equivalent for a period of twelve months of the **Gross Rentals** realised during the period between the commencement of the **Business** and the date of the **Damage**
- Standard Gross Rentals - The proportional equivalent for a period equal to the **Indemnity Period** of the **Gross Rentals** realised during the period between the commencement of the **Business** and the date of the **Damage**

To which adjustments shall be made as may be necessary to provide for the trend of the **Business** and for variation in or special 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**.

Section 2 – Rental Income continued

Payments on Account

In the event of loss the **Underwriters** will make monthly payments on account during the **Indemnity Period** to the **Insured** if desired.

Professional Accountants Charges

The **Underwriters** will indemnify the **Insured** in respect of reasonable fees payable by the **Insured** to their professional accountants for producing any particulars or details contained in the **Insureds Business** books or documents or other such proofs information or evidence as the **Underwriters** may require under the terms of the *Claims - Insureds Duties* section of the **Certificate** Conditions and reporting that such particulars or details are in accordance with the **Insureds Business** books or documents.

Rent Free Period

If at the date of the **Damage** any **Premises** are subject to a rent free period under the terms of the lease then the **Indemnity Period** stated in the **Schedule** shall be adjusted by adding the unexpired portion of the rent free period to the number of years shown in the **Schedule** provided that the **Underwriters** liability does not exceed the **Sum Insured** stated in the **Certificate**.

Sale of Property Insured

If at the time of **Damage** to the **Premises** the **Insured** shall have contracted to sell the interest of the **Insured** in such building and the purchase shall not have been but shall be thereafter completed the purchaser on completion of the purchase if and so far as the **Gross Rentals** are not otherwise insured by or on behalf of the purchaser against such **Damage** shall be entitled to the benefits of this Section of the **Certificate** so far as it relates to such **Damage** without prejudice to the rights and liabilities of the **Insured** or the **Underwriters** under this Section up to the date of completion.

Unoccupied Buildings

Where **Gross Rental** is insured in respect of any **Unoccupied** buildings in the event of **Damage** the **Insured** must show that but for the **Damage Gross Rentals** would have been earned and will be required to support a claim for loss of **Gross Rentals** by submitting reasonable evidence of the amount of **Gross Rental** and the date from which it would have been earned.

The **Underwriters** will have regard;

- a) to actual negotiations with prospective tenants both before and after **Damage**
- b) for demand for similar accommodation in the locality
- c) of the general level of rents applying

If required by **Underwriters** the advice of a professional valuer acceptable to both the **Insured** and **Underwriters** will be sought and such fees will be included in the indemnity under this Clause.

Value Added Tax

To the extent that the **Insured** are registered with and accountable to or should, according to the applicable laws at the time, be registered with and accountable to the tax authorities for Value Added Tax all terms in this Section shall be exclusive of such tax.

Section 3 – Property Owners Liability

The **Underwriters** will indemnify the **Insured** against all sums the **Insured** shall become legally liable to pay as damages and claimants costs and expenses arising out of accidental;

- a) **Injury** to any person other than an **Employee**
- b) **Damage** to material property
- c) nuisance or trespass, obstruction, loss of amenities or interference with any right of way, air, light or water or other easement
- d) wrongful arrest, detention, imprisonment or eviction of any person or invasion of the right of privacy occurring within the **Territorial Limits** during the **Period of Insurance** and happening in connection with the **Business**.

Additional Persons Insured

The **Insured** shall extend to include in the event of the death resulting from **Injury** of any person entitled to indemnity under this Section the deceased's legal personal representatives but only in respect of liability incurred by such deceased person

At the request of the **Insured** the **Underwriters** will indemnify under the terms of this Section any director of the **Insured** or **Employee** in respect of liability arising in connection with the ownership of the **Premises** described in the **Schedule**

Provided always that;

- a) each such additional person insured shall as though they were the **Insured** observe fulfil and be subject to the terms of this **Certificate** insofar as they can apply
- b) the **Underwriters** shall retain the sole conduct and control of all claims.

Compensation for Court Attendance

In the event of any of the undermentioned persons attending court as a witness at the request of the **Underwriters** in connection with a claim in respect of which the **Insured** is entitled to indemnity under this Section the **Underwriters** will provide compensation to the **Insured** at the following rates per day for each day on which attendance is required;

- a) any director or partner of the **Insured** GBP 250
- b) any **Employee** GBP 100.

Corporate Manslaughter and Corporate Homicide Act 2007

Cover under this *Section* extends to Indemnify the **Insured** in respect of legal costs and expenses incurred with **Underwriters** prior written consent in connection with the defence of any criminal proceedings (including any appeal against conviction arising from any such proceedings) brought in respect of a charge and or investigations connected with a charge of corporate manslaughter or corporate homicide under the Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent legislation in the Channel Islands or the Isle of Man committed or alleged to have been committed during the **Period of Insurance** in the course of the **Business**.

Provided always that:

- a) **Underwriters'** liability under this extension shall not exceed GBP5,000,000 in any one **Period of Insurance** or the **Limit of Indemnity** stated in the **Schedule** whichever is the lesser. This limit will form part of and not be in addition to the **Limit of Indemnity** stated in the **Schedule**
- b) This Extension shall apply only to proceeding brought in Great Britain, Northern Island, the Channel Islands or the Isle of Man
- c) **Underwriters** must consent in writing to the appointment of any solicitor or counsel who are to act for and on behalf of the **Insured**
- d) The **Insured** shall give immediate notice to **Underwriters** of any summons or other process served upon the **Insured** which may give rise to proceedings under this extension
- e) In relation to any appeal counsel has advised there are strong prospects of such appeal succeeding
- f) **Underwriters** shall be under no liability;
 - i.) Where the **Insured** has committed any deliberate or intentional criminal act giving rise to a corporate manslaughter or corporate homicide charge
 - ii.) In respect of fines or penalties of any kind
 - iii.) In respect of the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of breach of ;
 - 1) The Health and Safety at Work Act 1974 or the Health and Safety at Work Act (Northern Ireland) Order 1978 or any regulations made thereunder
 - 2) The Food Safety Act 1990 or any regulations made thereunder
 - 3) The Consumer Protection Act 1987 or any regulations made thereunder
 - iv.) Where indemnity for defence costs is available from any other source or is provided by any other insurance or where but for the existence of this extension indemnity would have been provided by such other source or insurance
- g) Where the **Underwriters** have already indemnified the **Insured** in respect of legal costs or expenses incurred in the defence of any criminal proceedings arising out of the same cause or occurrence which gave rise to the charge of and or investigation connected with the corporate manslaughter or corporate homicide under another section of the **Certificate** the amount paid under that section will be taken into account in arriving at the **Underwriters'** liability payable under this extension.

Section 3 – Property Owners Liability continued

Cross Liabilities Clause

If more than one **Insured** is referred to in the **Schedule** each **Insured** so named shall be considered as a separate and distinct entity and the word **Insured** shall be construed as applying to each separate **Insured** in the same manner as if a separate **Certificate** had been issued to each.

Provided always that the liability of the **Underwriters** for all damages payable as a result of any one occurrence or of all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed in the aggregate the **Limit of Indemnity** stated in the **Schedule** irrespective of the number of insured parties involved.

Data Protection Act

The **Underwriters** will indemnify the **Insured** in respect of liability arising under the Data Protection Act 1998

Provided that;

- a) the process of registration under the above Act has been commenced or completed by the **Insured** and the application has not been refused or withdrawn
- b) no liability arises as a result of the provision by the **Insured** of the services of a computer bureau

The **Underwriters** shall not be liable in respect of;

- a) the recording or provision of data for reward or for determining the financial status of any person
- b) any liability which arises as a result of a deliberate act or omission of the **Insured** and which could reasonably have been expected by the **Insured** having regard to the nature and circumstances of such act or omission

The total liability of the **Underwriters** including all costs and expenses in this respect shall not exceed GBP 250,000 during any one **Period of Insurance**, such amount being included within and not additional to the **Sum Insured**.

Defective Premises Act

This Section subject otherwise to the terms of the **Certificate** and within the **Limit of Indemnity** extends to indemnify the **Insured** against liability for **Injury**, loss or **Damage** arising solely by reason of Section 3 of the Defective Premises Act 1972 or Article 5 of the Defective Premises (Northern Ireland) Order 1975 in respect of any premises previously owned for purposes pertaining to the **Business** and since disposed of by the **Insured** provided that;

- 1 this extension shall not indemnify the **Insured** in respect of loss of or **Damage** to the land or premises disposed of or in connection with the cost of rectifying any defect or alleged defect therein
- 2 the **Underwriters** will not be liable under this extension if the **Insured** are entitled to indemnity under any other insurance.

Discharge of Liability Clause

The **Underwriters** may pay the **Limit of Indemnity** or any lesser amount for which any claim or claims against the **Insured** can be settled and the **Underwriters** shall be under no further liability in respect of such claim or claims except for costs or expenses incurred prior to the date of such payment.

Limit of Liability

The liability of the **Underwriters** for all damages payable as a result of any one occurrence or of all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the **Limit of Indemnity** stated in the **Schedule** irrespective of the number of insured parties or claimants involved.

In addition the **Underwriters** will pay;

- 1 all other defence costs and expenses incurred with their prior written consent
- 2 the legal costs and expenses incurred with their written consent for the defence of prosecution brought under Section 36 or 37 of the Health and Safety at Work Act 1974 for any alleged offence as detailed in Section 33(1) (a) (b) or (c) of the Act or under the Health and Safety at Work (Northern Ireland) Order 1978 under Article 31 including legal costs and expenses incurred with the consent of the **Underwriters** in an appeal against conviction arising from such proceedings provided that:
 - a) the proceedings relate to the health, safety and welfare of persons other than **Employees**
 - b) the **Underwriters** will not indemnify the **Insured** in respect of
 - i) fines and penalties
 - ii) costs or expenses insured elsewhere

Section 4 – Employers Liability

Cover

The **Underwriters** will indemnify **You** against all sums that **You** shall become legally liable to pay as damages, together with costs and expenses shown below, in respect of **Injury** sustained within the **Territorial Limits** during the **Period of Insurance** by any **Employee** arising out of his employment by **You** in the course of the **Business**.

Limit of Indemnity

The liability of the **Underwriters** under this Section for damages, costs and expenses payable in respect of any one claim or series of claims against **You** arising out of one event shall not exceed the amount stated in the **Schedule**.

Costs and expenses shall be deemed to mean:

- a) costs and expenses of claimants for which **You** are legally liable;
- b) other costs and expenses incurred with the **Underwriters** written consent in respect of any claim which may be the subject of indemnity under this Section;
- c) solicitors fees incurred with the **Underwriters**' written consent for:
 - i) defence in any Court of Summary Jurisdiction of any proceedings brought against **You** in respect of breach or alleged breach of any statutory duty resulting in **Injury**;
 - ii) representation at a Coroners Court or Fatal Accident Inquiry in respect of any death; which may be the subject of indemnity under this Section;
- d) legal costs and expenses incurred with the **Underwriters**' written consent by **You** and, at **Your** request, any director or **Employee**, and costs awarded against **You** or the director or **Employee** arising in connection with a prosecution (including an appeal against any conviction resulting from a prosecution) as a result of an alleged offence occurring during the **Period of Insurance** under the Health and Safety at Work etc Act 1974 or similar safety legislation of Great Britain, Northern Ireland, the Channel Islands or the Isle of Man provided that:
 - i) the proceedings relate to the health safety or welfare of **Employees**;
 - ii) the **Underwriters** will not indemnify **You** in respect of:
 - (1) proceedings consequent upon a deliberate act by or omission by **You**, any director or **Employee**;
 - (2) fines or penalties of any kind or the costs of appeal against improvement or prohibition notices; or
 - (3) costs and expenses insured by any other policy.
- e) legal costs and expenses incurred with the Insurer's written consent by **You**, and costs awarded against **You** arising in connection with a prosecution (including an appeal against any conviction resulting from a prosecution) as a result of the defence of criminal proceedings brought under the Corporate Manslaughter and Corporate Homicide Act 2007 or similar legislation provided that:
 - i) the liability of the **Underwriters** for all legal costs and expenses payable in any one **Period of Insurance** shall not exceed the sum of GBP 5,000,000 or the **Limit of Indemnity** stated in the **Schedule** whichever is the lesser and will form part of and not be in addition to the **Limit of Indemnity** stated in the **Schedule**;
 - ii) the proceedings relate to an actual or alleged offence committed during the **Period of Insurance** within the **Territorial Limits** and in connection with the **Business**;
 - iii) the **Underwriters** will not indemnify **You** in respect of:
 - (1) proceedings which result from any deliberate act or omission by **You**;
 - (2) any fines or penalties of any kind;
 - (3) any remedial or publicity orders or any steps required to be taken by such orders;
 - (4) costs and expenses insured by any other policy.

Additional Persons Insured

- a) In the event of the death of any person entitled to indemnity under this Section the **Underwriters** will indemnify in the terms of this Section the deceased's legal personal representatives but only in respect of liability incurred by such deceased person;
- b) At **Your** request the **Underwriters** will indemnify in the terms of this Section:
 - i) any principal in respect of liability arising out of the performance by **You** of any agreement entered into by **You** with the principal to the extent required by such agreement;
 - ii) any of **Your** directors or **Employees** in respect of liability arising in connection with the **Business**; provided that **You** would have been entitled to indemnity under this Section if the claim had been made against **You**;
 - iii) any officer committee or member of **Your** canteen, sports, social or welfare organisations, fire, security, first aid, medical or ambulance services in their respective capacities as such;
 - iv) any of **Your** directors or senior officials in respect of private work undertaken by any **Employee** for such director or senior official;provided that:
 - a) each person shall as though he were **You** observe fulfil and be subject to the terms of this Section insofar as they can apply; and
 - b) the **Underwriters** shall retain the sole conduct and control of all claims.

Section 4 – Employers Liability continued

Compensation for Court Attendance

In the event of the following persons attending court as a witness at the request of the **Underwriters** in connection with a claim in respect of which **You** are entitled to indemnity under this Section the **Underwriters** will provide compensation to **You** at the following rates per day for each day on which attendance is required:

- a) any of **Your** directors or partners GBP 250
- b) any **Employee** GBP 100

Right of Recovery

This Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to Employees in Great Britain Northern Ireland the Channel Islands or the Isle of Man but **You** shall repay to the **Underwriters** all sums paid by the **Underwriters** which the **Underwriters** would not have been liable to pay but for the provisions of such law.

Unsatisfied Court Judgements

In the event of **Injury** to an **Employee**, sustained during the **Period of Insurance** and arising out of his employment by **You** in the course of the **Business**, which results in a judgement for damages being obtained by such **Employee**, or his personal representatives, and which remains unsatisfied in whole or in part six months after the date of such judgement, the **Underwriters** will, at **Your** request, pay to the **Employee** or his personal representatives the amount of any such damages and any awarded costs to the extent that they remain unsatisfied provided that:

- a) the judgement for damages is obtained:
 - i) in a court of law within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man; and
 - ii) against a company, partnership or individual other than **You**, conducting a business at or from premises within the territories described in i) above;
- b) there is no appeal outstanding;
- c) the judgement relates to **Injury** which would otherwise be within the terms of the **Certificate**; and
- d) if any payment is made under the terms of this clause the **Employee** or the personal representative of the **Employee** shall assign the judgement to the **Underwriters**.

Section 4 – Employer’s Liability Exclusions (See also Certificate Exclusions)

- 1) So far as concerns the liability of any principal or liability assumed by **You** under agreement, and which would not have attached in the absence of such agreement, this Section shall not apply to any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
 - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
 - b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

The **Underwriters** shall not be liable under this Section for:

- 2) Any liability for which compulsory motor insurance or security is required under the Road Traffic Act 1988 as amended by the Motor Vehicles (Compulsory Insurance) Regulations 1992 and the Road Traffic (Northern Ireland) Order 1981 as amended by the Motor Vehicles (Compulsory Insurance) Regulations (Northern Ireland) 1993 or other compulsory road traffic act legislation.
- 3) Any liability arising out of work undertaken or operations located **Offshore**.
- 4) More than GBP 5,000,000 including Claimant’s Costs, Defence Costs and under all extensions in respect of any one claim or series of claims (regardless of the number of claimants) arising out of one event which falls within the definition of Terrorism under this Policy.
- 5) More than GBP 5,000,000 including Claimant’s Costs, Defence Costs and under all extensions in respect of any one claim or series of claims (regardless of the number of claimants) directly or indirectly caused by or alleged to be caused by or contributed to in whole or in part by or arising out of the manufacture of, mining of, use of, sale of, installation of, survey or investigation of, management of, removal or distribution of, existence of or exposure to asbestos products, asbestos fibres or asbestos dust or property or materials containing any of the foregoing.

Certificate Exclusions

(The following **Certificate** Exclusions are applicable to Sections One, Two, Three and Four unless otherwise stated)

Asbestos Exclusion (applicable to Section Three only)

This insurance does not cover any loss, cost or expense directly or indirectly arising out of, resulting as a consequence of, or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of or exposure to Asbestos or materials or products containing asbestos whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

Contamination and Pollution Exclusion Clause

1. This **Certificate** shall not cover any loss or **Damage** due to contamination, soot, deposit, 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 loss or **Damage** arises out of one or more of the following perils;
 - i) Fire, lightning, explosion, impact of aircraft
 - ii) vehicle impact, sonic boom
 - iii) accidental escape of water from any tank, apparatus or pipe
 - iv) riot, civil commotion, malicious damage
 - v) storm, hail
 - vi) flood inundation
 - vii) earthquake
 - viii) landslide, subsidence
 - ix) pressure of snow, avalanche
 - x) volcanic eruption
3. All other terms and conditions of this **Certificate** shall be unaltered and especially the exclusions shall not be superseded by this clause.

Electronic Data Endorsement

- 1) Electronic Data Exclusion
Notwithstanding any provision to the contrary within this **Certificate** or any endorsement thereto, it is understood and agreed as follows;
 - a) The **Underwriters** shall not be liable for any 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 the above paragraph, this **Certificate** subject to all its terms conditions and exclusions will cover physical damage occurring during the **Period of Insurance** to the **Property Insured** by the original **Certificate** directly caused by such listed peril.

Listed Perils;

- i) Fire
 - ii) Explosion
- 2) Electronic Data Processing Media Valuation
Notwithstanding any provision to the contrary within the **Certificate** or any endorsement thereto, it is understood and agreed as follows;
Should electronic data processing media insured by this **Certificate** suffer physical loss or **Damage** insured by this **Certificate**, then the basis of valuation shall be the cost of the blank media plus the costs 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 **Certificate** does not insure any amount pertaining to the value of such **Electronic Data** to the **Insured** or any other party, even if such **Electronic Data** cannot be recreated gathered or assembled.

Certificate Exclusions continued

(The following **Certificate** Exclusions are applicable to Sections One, Two, Three and Four unless otherwise stated)

Institute Radioactive Contamination Exclusion Clause

This clause shall be paramount and shall override anything contained in this **Certificate** inconsistent therewith:

In no case shall this **Certificate** cover loss **Damage** liability or expense directly or indirectly caused by or contributed to by or arising from;

- i) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- iii) any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

Micro-Organism Exclusion Clause

This **Certificate** does not cover any loss **Damage** claim cost expenses or other sum directly or indirectly arising out of or relating to mould, mildew, fungus, spores or other micro-organism of any type, nature or description including but not limited to any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless whether there is;

- i) any physical loss or **Damage** to **Insured Property**
- ii) any **Defined Peril** or cause whether or not contributing concurrently or in any sequence
- iii) any loss of use occupancy or functionality
- iv) any action required including but not limited to repair replacement removal cleanup abatement disposal relocation or steps taken to address medical or legal concerns.

This Exclusion replaces and supersedes any provision in this **Certificate** that provides insurance, in whole or in part, for these matters.

Northern Ireland Overriding Exclusion

Notwithstanding anything within the **Certificate** or in any extensions thereof it is hereby declared and agreed that as an exclusion overriding all other terms (including the nature and terms of perils insured against) this **Certificate** does not cover loss or destruction of or **Damage** to any property in Northern Ireland or loss resulting there from caused by or happening through or in consequence directly or indirectly 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**

In any action suit or other proceedings where **Underwriters** allege that by reason of the provisions of this exclusion any loss, destruction or **Damage** or consequential loss is not covered by this **Certificate** the burden of proving that such loss is covered shall be upon the **Insured**.

Nuclear Energy Risks Exclusion Clause

This **Certificate** shall exclude Nuclear Energy Risks whether such risks are written directly and/or via Pools and/or Associations.

For the purpose of this **Certificate** 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.

Certificate Exclusions continued

(The following **Certificate** Exclusions are applicable to Sections One, Two, Three and Four unless otherwise stated)

Sonic Bangs

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

Terrorism Exclusion Endorsement

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

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

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

If **Underwriters** allege that by reason of this exclusion, any loss, **Damage**, cost or expense is not covered by this **Certificate** the burden of proving the contrary shall be upon the **Insured**.

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

War and Civil War Exclusion Clause

Notwithstanding anything to the contrary contained herein this **Certificate** does not cover loss or **Damage** 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.

Certificate Exclusions continued

(The following **Certificate** Exclusions are applicable to Sections One and Two only)

The insurance by these Sections does not cover;

- 1) **Damage** caused by or consisting of;
 - a) inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level, faulty or defective design or materials
 - b) the bursting by steam pressure 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 **Insured** other than any boiler or economiser on the **Premises** used for domestic purposes, such as a hot water and/or central heating/ventilation system.
 - c) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

But this shall not exclude subsequent **Damage** or subsequent loss resulting from **Damage** which itself results from a cause not otherwise excluded

- 2) **Damage** caused by or consisting of;
 - a) faulty or defective workmanship, operational error or omission on the part of the **Insured** or an **Employee**but this shall not exclude;
 - i) such **Damage** not otherwise excluded which itself results from a **Defined Peril**
 - ii) subsequent **Damage** which itself results from a cause not otherwise excluded
 - b) acts of fraud or dishonesty by the **Insureds Employees**

but this shall not exclude such **Damage** not otherwise excluded which itself results from a **Defined Peril**

- 3) **Damage** caused by or consisting of;
 - a) Corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects
 - b) change in temperature, colour, flavour, texture or finish
 - c) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping in connection therewith
 - d) mechanical or electrical breakdown or derangement of the particular machine, apparatus or equipment in which such breakdown or derangement originates
 - e) in respect of Section 2 Rental Income - the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunication services

But this will not exclude;

- i) such **Damage** not otherwise excluded which itself results from a **Defined Peril** or from any other accidental loss destruction or **Damage**
- ii) subsequent **Damage** which results from a cause not otherwise excluded

- 4) Infidelity or dishonesty of the **Insured** or any **Employee** or other persons to whom **Property Insured** may be entrusted, nor loss, destruction or **Damage** resulting from the **Insured** voluntarily parting with title or possession of any property if induced to do so by any fraudulent scheme, trick, device or false pretence or any unexplained loss or loss or shortage disclosed on taking inventory
- 5) **Damage** caused by or consisting of;
 - a) Subsidence, ground heave or landslip unless resulting from fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe
 - b) normal settlement or bedding down of new structures

Certificate Exclusions continued

(The following **Certificate** Exclusions are applicable to Sections One and Two only)

- 6) **Damage** caused by or consisting of or arising directly or indirectly from;
 - a) Disappearance, unexplained or inventory shortage, misfiling or misplacing of information
 - b) in respect of Section 2 Rental Income:
 - i) erasure, loss, distortion or corruption of information on computer systems or other records, programs or software caused deliberately by rioters, strikers, locked-out workers, persons taking part in labour disturbances or civil commotion or malicious persons
 - ii) other erasure, loss, distortion or corruption of information on computer systems or other records, programs or software unless resulting from a **Defined Peril** insofar as it is not otherwise excluded
- 7) **Damage** to a building or structure caused by its own collapse or cracking unless resulting from a **Defined Peril** in so far as it is not otherwise excluded
- 8) **Damage** in respect of movable property in the open, fences and gates by theft, wind, rain, hail, sleet, snow, flood or dust
- 9) **Damage** in respect of **Unoccupied Buildings** is restricted to fire, lightning, aircraft or explosion unless additional perils have been agreed in writing by **Underwriters**
- 10) **Damage** in respect of;
 - a) glass (other than fixed **Glass**), china, earthenware, marble or other fragile or brittle objects
 - b) in respect of Section 1 Buildings - curiosities or works of art other than such **Damage** caused by a **Defined Peril** and not otherwise excluded
- 11) Unless specifically mentioned as insured under Section 1 Buildings;
 - a) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
 - b) land, roads, pavements, piers, jetties, bridges, culverts or excavations
- 12) In respect of Section 1 Buildings - property which at the time of the happening of **Damage** is insured by or would but for the existence of this **Certificate** be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected
- 13) In respect of Section 1 Buildings - any property more specifically insured by or on behalf of the **Insured**
- 14) Any loss for **Damage** by malicious persons where the person who caused the **Damage** was lawfully allowed on the **Premises** at the time of the loss
- 15) **Damage** caused as a result of or in consequence of any building work(s) falling outside of and not categorized within the definition of **Renovation** unless specifically agreed otherwise by **Underwriters**
- 16) **Damage** caused by or consisting of or arising directly or indirectly from the application of heat by means of electric, oxyacetylene or other welding or cutting equipment or angle grinders, blow lamps, blow torches, hot air guns or hot air strippers unless specifically agreed in writing by **Underwriters**
- 17) Any Liability assumed by the **Insured** by a contract or agreement entered into by the **Insured** and which would not have attached in the absence of such agreement
- 18) Loss of or **Damage** to;
 - a) property belonging to the **Insured**
 - b) property which is leased, let, rented, hired or lent to or which is the subject of a bailment to the **Insured**

Certificate Exclusions continued

(The following **Certificate** Exclusions are applicable to Section Three only)

- 19) **Injury**, loss or **Damage** caused by or in connection with or arising out of the ownership, possession or use by or on behalf of the **Insured** of any;
- a) Aircraft, hovercraft or watercraft
 - b) mechanically-propelled vehicle or trailer attached thereto (other than motorised garden implements used to maintain the land belonging to the **Premises** described in the **Schedule**)
- 20) This Section will not indemnify the **Insured** for any sums for which the **Insured** is/or becomes liable to pay as a result of any claim(s) made against the **Insured** or for any associated defence costs or expenses of any kind from any liability arising directly or indirectly out of;
- a) loss of alteration of or **Damage** to or
 - b) a reduction in the functionality availability or operation of
- a computer system or programme, hardware, data information repository, microchip, integrated circuit or similar device in computer equipment or non-computer equipment as a result of the **Insureds** e-activities.
For the purpose of this exclusion, e-activities means any use of electronic networks including the internet and private networks, intranets, extranets, electronic mail, worldwide web and similar medium carried out by the **Insured** or by any person, persons, partnership, firm or company acting for the **Insured** or on the **Insureds** behalf.

Certificate Endorsements

(Applicable only if specified in the **Schedule**)

PO1 - Accidental Damage Extension

Section 1 is extended to cover the **Property Insured** specified in the **Schedule** against risks of accidental physical loss or **Damage** occurring during the **Period of Insurance** at the **Premises** and subject to the **Sums Insured** specified in the **Schedule**.

This Extension does not cover;

- a) The amount of the **Excess** specified in the **Schedule**
- b) **Damage** caused by or following upon subsidence, collapse, landslip, ground heave, settling, cracking, shrinkage or expansion of any building or foundation
- c) Mechanical and/or electrical derangement and/or breakdown, breakage of valves, filaments and the like burning out or **Damage** directly caused by short circuiting and/or claims arising from overheating
- d) **Damage** caused by moth, vermin or insect, wear, tear, gradual deterioration, rust or oxidization, rot, mould or mildew, inherent vice, latent defect, mysterious disappearance or unexplained shortage
- e) **Damage** caused by faulty manipulation, scratching or denting or loss of magnetism and/or erasure of tapes or faulty projection, shortage in weight, contamination, taint or insufficiency of insulation
- f) Breakage of articles of a brittle nature (other than jewellery) unless such breakage is caused by burglars, thieves or fire and/or Breakage of **Glass**, over winding or internal damage of clocks and/or watches
- g) Loss by delay, loss of market, consequential loss of any and every description
- h) **Damage** which may be sustained whilst the **Property Insured** is being worked upon or is under any process and directly resulting there from
- i) **Damage** caused by climatic or atmospheric conditions or extremes of temperature
- j) Infidelity or dishonesty by the **Insured** or any **Employee(s)** of the **Insured**
- k) **Damage** to aircraft, watercraft, vehicles, livestock, growing timber or crops, jewellery, furs, watches, precious metals/stones, **Money**, documents, data or word-processing, media or computer systems records
- l) **Damage** insured more specifically under any other Section or Sections of this **Certificate** or any other Insurance
- m) **Damage** to TV and radio aerials, satellite dishes, aerial fittings and masts.

PO2 - Burning of Waste in the Open Condition

It is a condition precedent to liability that no burning of waste is carried out on the **Premises**.

Certificate Endorsements continued

(Applicable only if specified in the **Schedule**)

PO3 - Composite Panel Conditions

It is a condition precedent to liability that in respect of any building containing composite panels that;

- 1) suitable fire extinguisher appliances are supplied in all cooking areas
- 2) ducting, conduit wiring and hot flues are adequately protected within fire resistant sleeves where passing through composite panels
- 3) at least weekly inspections are undertaken by the **Insured** to check for damage to composite panels or panel joints. Any defects found to be rectified without delay or replaced by a panel with a non-combustible core within 7 days
- 4) no repairs will made to composite panels that involve welding, grinding, cutting or other obvious ignition sources
- 5) all heat sources are kept at least 2 metres from any composite paneling or such paneling to be of a non-combustible core
- 6) no external storage of combustible stock, packaging, pallets, waste or waste skips or bins within 10 metres of the buildings
- 7) any work involving the application of heat will only be carried out by a qualified Contractor and the **Insured** is to ensure the Contractor has adequate Public Liability Insurance in force and shall confirm same through sight of certificate of insurance. Subrogation rights against such Contractor shall not be waived by the **Insured**. The following conditions precedent to liability apply:
 - i) the area in which work is to be carried out shall be adequately cleared and combustible materials shall be removed to a distance not less than 6 metres from the area of proposed work
 - ii) if work is to be carried out overhead then the area beneath shall be similarly cleared and all combustible materials removed
 - iii) suitable fire extinguisher with a capacity of not less than 9 litres shall be kept available for immediate use
 - iv) blow lamps and blow torches shall be lit in as short a time as possible before use and extinguished immediately after use
 - v) lighted blow lamps and torches shall not be left unattended
 - vi) half an hour after each period of work a thorough examination shall be made of and in the area in which works have been undertaken
 - vii) if work is to be carried out in the vicinity of composite/sandwich panels then such panels must be protected by non-combustible blankets drapes or screens.

PO4 - Daily Waste Condition

It is a condition precedent to liability that all combustible trade waste and refuse is removed from the **Buildings** every night.

PO5 – External Smoking Condition

It is a condition precedent to liability that smoking is prohibited throughout the **Premises** except in specifically designated external areas, and suitable notices to this effect are displayed in prominent positions. Metal receptacles are provided for waste materials and are kept at least 2 metres from the buildings.

PO6 - First Loss Average Clause

When the **Sum Insured** is shown FIRST LOSS in the **Schedule** - The applicable item of this Section is subject to the condition of average (First Loss), that is to say, if the total value of all property covered by the item shall at the time of any loss be greater than the value notified by the **Insured**, then the **Insured** shall be entitled to recover hereunder only such proportion of the said loss as the said notified value bears to the total value, up to but not exceeding the **Sum Insured** for the item.

Certificate Endorsements continued

(Applicable only if specified in the **Schedule**)

PO7 - Frying and Cooking Equipment Conditions

It is a condition precedent to liability that;

- a) all frying and other cooking ranges, equipment, flues and exhaust ducting is kept securely fixed and free from contact with combustible materials
- b) all extraction hoods, canopies, filters and grease traps are cleaned at least every 2 weeks
- c) all extraction ducts are cleaned monthly and maintained and checked at least once every 6 months by a specialist contractor
- d) the record of such cleaning and servicing of the extraction ducts is kept elsewhere other than at the **Premises** and will be made available for inspection at any time
- e) frying equipment will be installed used and maintained in accordance with the manufacturer's instructions
- f) multipurpose fire extinguishers and at least one fire retardant blanket which conforms to the relevant British Standard suitable for extinguishing oil and fat fires is kept in close proximity to the working area of the range and maintained ready for use
- g) frying ranges are not left unattended whilst in use
- h) all naked flames (other than pilot lights) and all electrical elements are turned off at the close of the working day.
- i) a flame failure device is fitted if the range is gas or oil fired
- j) a thermostat is fitted which prevents the temperature of the fat or oil exceeding 205 centigrade or the manufacturer's recommended temperature if that is less
- k) the frying range must hold the minimum level of oil, as per the manufacturer's guidelines, to ensure the operation of the thermostatic cut-out device
- l) extraction of heat, fumes and/or combustible products be via an internal duct, or an overhead canopy and duct system, vented direct to the open
- m) all ducts be constructed of and supported by galvanised or stainless steel

PO8 - Metal Workers Waste Condition

It is a condition precedent to liability that all oily and/or greasy waste and used cleaning cloths which remain in the buildings overnight are kept in metal receptacles with metal lids and removed from the buildings at least once a week.

Certificate Endorsements continued

(Applicable only if specified in the **Schedule**)

PO9 - Minimum Security Requirements (B)

It is a condition precedent to liability that **Damage** is not covered unless;

- 1) the Minimum Security Requirements (A) as stated in the **Certificate** Conditions are complied with
- 2) an intruder alarm is installed and put into full and effective operation at night and whenever the **Premises** are closed for business or left unattended. **Underwriters** will not regard the intruder alarm as effective if the specification or system record provides for a telephone line, direct line or central monitoring station warning system and the **Insured** have had notice of the withdrawal of the Police, telephone or central monitoring station service and such service has actually been withdrawn
- 3) the intruder alarm is maintained under contract by a company which is either included in the official list of recognised firms of the National Security Inspectorate (NSI), or the Security System and Alarm Inspections Board (SSAIB) or approved by **Underwriters**
- 4) all keys of the intruder alarm are removed from the **Premises** at night and whenever they are closed for business or left unattended. Where the **Insured** or an **Employee** occupies part of the **Premises** for residential purposes, the keys must be removed from the **Business** part of the **Premises**.

PO10 - Minimum Security Requirements (C)

It is a condition precedent to liability that **Damage** is not covered unless;

- 1) the Minimum Security Requirements (A) as stated in the **Certificate** Conditions is complied with
- 2) an intruder alarm is installed which provides for a police telephone line, direct line or central monitoring station warning system and is put into full and effective operation at night and whenever the **Premises** are closed for business or left unattended. **Underwriters** will not regard the intruder alarm as effective if the **Insured** have had notice of the withdrawal of such service and such service has actually been withdrawn
- 3) the intruder alarm is maintained under contract by a company which is either included in the official list of recognised firms of the National Security Inspectorate (NSI), or the Security System and Alarm Inspections Board (SSAIB) or approved by **Underwriters**
- 4) all keys of the intruder alarm are removed from the **Premises** at night and whenever they are closed for business or left unattended. Where the **Insured** or an **Employee** occupies part of the **Premises** for residential purposes, the keys must be removed from the **Business** part of the **Premises**.

PO11 - Obsolete Building Clause

The basis of valuation for the purpose of average shall be;

- 1) the cost of purchasing a similar **Building** to the insured **Building** plus an allowance for removal of debris costs or
- 2) the cost of erecting a modern building providing comparable facilities to the insured **Building** plus an allowance for professional fees removal of debris costs and the additional expenditure which might arise out of local authorities' requirements.

PO12 - Paint Spraying Conditions

It is a condition precedent to liability that all spraying of paints or varnishes with a flash point below 32 degrees centigrade are carried out in an area enclosed by non-combustible materials and extraction to the open air and any electrical installation including that for extraction is of flameproof design and any heating is of the black-heat type and with fully enclosed elements.

It is also a condition precedent to liability that;

- 1) only one days supply of flammables is kept in the spraying area
- 2) all other flammables are kept in a designated enclosed steel bin or if the stocks of same are substantial they are kept in a store with high and low level vents to the open air or forced flameproof extractor at floor level
- 3) all lighting is flameproof
- 4) smoking is prohibited in the areas where processes are carried and signs to this effect are prominently displayed.

Certificate Endorsements continued

(Applicable only if specified in the **Schedule**)

PO13 - Planning Permission Condition

It is a condition precedent to liability that in the event the **Insured's** application for planning permission/consent is refused or withdrawn by the Local Planning Authority the **Insured** advises **Underwriters** within 7 days

PO14 - Hostels Clause

It is a condition precedent to liability that in respect of any **Premises** or part thereof being used as a hostel;

- 1) no cooking is carried out in rooms other than those specifically designated as kitchens
- 2) there is 24 hour occupancy of the **Premises** by the **Insured** or his employees
- 3) all rooms are cleaned and/or inspected at least once a week

PO15 - Roof Maintenance Conditions

It is a condition precedent to liability that;

- a) any flat felted roof portion of the **Premises** shall have been inspected at least once every 2 years by a qualified builder or property surveyor
- b) all gutters are inspected and cleared every 6 months and any defects brought to light by these inspections shall be repaired immediately.

PO16 - Storage of Combustible Materials in the Open Condition

It is a condition precedent to liability that no combustible materials are externally stored within ten metres of the buildings outside business hours.

PO17 - Subsidence Ground Heave and Landslip Extension

Notwithstanding Exclusions 5(a) and 5(b) the insurance by Sections 1 and 2 extends to cover **Damage** caused by Subsidence or Ground Heave of any part of the site on which the property stands or Landslip excluding;

- a) the first GBP 1,500 of each and every loss after the application of any Condition of Average
- b) **Damage** to yards, car parks, roads, pavements, walls, gates and fences unless also affecting a building insured hereby
- c) **Damage** caused by or consisting of;
 - i) the normal settlement or bedding down of new structures
 - ii) the settlement or movement of made-up ground
 - iii) coastal or river erosion
 - iv) defective design or workmanship or the use of defective materials
 - v) fire, subterranean fire, explosion, earthquake or the escape of water from any tank apparatus or pipe
- d) **Damage** which originated prior to the inception of this cover
- e) **Damage** resulting from;
 - i) demolition, construction, structural alteration or repair, other than **Renovation**, of any property or
 - ii) groundwork or excavation at the **Premises**

Special Conditions

Insofar as this insurance relates to **Damage** caused by Subsidence Ground Heave or Landslip;

- a) The **Insured** shall notify the **Underwriters** immediately they become aware of any demolition, groundworks, excavation or construction being carried out on any adjoining site
- b) The **Underwriters** shall then have the right to vary the terms or cancel this cover.

Certificate Endorsements continued

(Applicable only if specified in the **Schedule**)

PO18 - Survey Clause

Cover hereon is strictly subject to receipt by **Underwriters** of a satisfactory survey carried out by an authorised surveyor within 30 days of the inception date of this insurance. Cover ceases immediately after 30 days if survey not carried out or extension agreed by the **Underwriters** and advised to the **Insured**. The premium will be adjusted on a pro rata basis

The **Underwriters** reserve the right to cancel this insurance with immediate effect or impose special terms and conditions and/or revise the premium rate upon receipt of the survey.

The **Insured** shall implement and continue to implement during the whole currency of the policy and following any renewal the survey requirement(s) or as otherwise agreed by the **Underwriters** within a period to be agreed by the **Underwriters** and advised to the **Insured**.

If the **Insured** fails to implement the requirement(s) within the period agreed by the **Underwriters** then all coverage hereunder shall terminate at the end of said period.

PO19 - Terrorism Extension

In any action suit or other proceedings where the **Underwriters** allege that any **Damage** is not covered by this Extension the burden of proving that such **Damage** is covered shall be upon the **Insured**

This Insurance is extended for the **Period of Insurance** stated in the **Schedule** to include;

- a) **Damage to Property Insured** at the **Premises**, as stated in the **Schedule** to this Insurance, situated in the United Kingdom other than Northern Ireland (meaning England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987) and
- b) where applicable under this Insurance consequential loss arising from business interruption, arising out of **Terrorism**

provided always that the **Terrorism** Insurance provided under this Extension is

A not applicable to;

- 1) any land or building of which any part is
 - a) insured in the name of an individual; or
 - b) occupied as a private residence, or owned or occupied in the name of an individual, unless
 - i) the part so occupied/owned is less than 80% of the land or building as a whole; and
 - ii) the proportion of such land or building which is commercially occupied is more than 20%; and
 - iii) any part which is occupied as a private residence, or owned or occupied in the name of an individual, is insured
 - under the same **Certificate** to which this Extension applies and which otherwise insures the part which is not so occupied, or owned or occupied, or
 - separately, but in any event not in the name of an individual

(where any person holds or owns flats or houses insured hereunder as a trustee pursuant to the terms of a trust, or by way of a business as a sole trader, such person shall not be construed as an 'individual' for the purposes of this proviso B.1, unless such person occupies any such flat – not including a block of flats - or house as a private residence)

- 2) any Nuclear Installation or Nuclear Reactor

Nuclear Installation

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

- a) the production or use of atomic energy
- b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiations

or

- c) the storage processing or disposal of nuclear fuel or bulk quantities of other radioactive matter, being matter which has been produced or irradiated in the course of the production or use of nuclear fuel.

Nuclear Reactor

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

- B not subject to any of the excluded perils specified in this Insurance other than those applying specifically in respect of the **Terrorism** Insurance provided under this Extension as stated in D and E below
- C subject otherwise to the terms conditions exclusions deductibles and limits of this Insurance except as expressly varied hereby
- D subject to the exclusion of war and allied risks, defined as any loss whatsoever occasioned by riot civil commotion war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
- E subject to the exclusion of digital or cyber risks, defined as any loss whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from;
 - 1) **Damage** to any computer or other equipment or component or system or item which processes stores transmits or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether the property of the **Insured** or not, where such **Damage** is caused by Virus or Similar Mechanism or Hacking or Denial of Service Attack or
 - 2) consequential loss directly or indirectly caused by or arising from Virus or Similar Mechanism or Hacking or Denial of Service Attack.

Virus or Similar Mechanism

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

Hacking

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

Denial of Service Attack

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

and provided that the **Underwriters** liability in respect of all losses arising out of any one occurrence and, where applicable under this Insurance, in the aggregate in any one **Period of Insurance** shall not exceed the limits as otherwise specified in this Insurance.

Irrespective of the currency in which this Insurance is expressed, the limit of liability and the premium for the **Terrorism** Insurance effected by this Extension will be determined in sterling.

Special Conditions

The **Terrorism** Insurance provided under this Extension shall not apply to;

- a) any Long Term Agreement / Undertaking to which this Insurance is subject
- b) any terms in this Insurance that provide for adjustments of premium based upon declarations on expiry or during the **Period of Insurance**
- c) any aggregate limit contained in this Insurance regarding the amount to be borne by the **Insured** as a result of the operation of a deductible

Special Provision

Notwithstanding anything anything stated herein to the contrary, this **Terrorism** Extension applies also to any **Property Insured** at the **Premises**, as stated in the **Schedule** to this Insurance, which is insured in the name of an individual and is occupied as a private residence, other than in respect of any loss whatsoever or any expenditure resulting or arising there from or any consequential loss directly or indirectly caused by or contributed to by or arising from;

- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- b) chemical and/or biological and/or radiological irritants contaminants or pollutants.

Certificate Endorsements continued

(Applicable only if specified in the **Schedule**)

PO20 - Thatch Conditions

It is a condition precedent to liability that;

- 1) all chimneys to solid-fuel stoves, boilers and open fires are kept in a good state of repair and that they are professionally cleaned once a year before winter
- 2) all old thatch and thatching is burnt at a distance of more than 100 metres from the **Premises**
- 3) no naked flames or tools producing naked flames be present in the attic or loft space at any time.

If the **Insured** fails to comply with any of the above duties this insurance will become invalid in respect of loss or **Damage** caused by fire.

PO21 - Unoccupancy Conditions Wider Perils

The Unoccupancy Conditions contained within the **Certificate** Conditions are replaced by the following:-

It is a condition precedent to liability that when any building (or part thereof) are **Unoccupied**;

- a) all gas, water and electricity mains supplies are kept disconnected (except those supplies required to maintain automatic sprinkler installations, lighting or alarm systems which are to remain in operation for security or fire protection purposes)
- b) all water tanks, apparatus, pipes and heating other than those connected to automatic sprinkler systems are drained down
- c) The following minimum protections are taken:
 - i) all doors and windows are securely locked and fastened
 - ii) any letter boxes are sealed
 - iii) all security and alarm protections are set in full operation and are in proper working order
- d)
 - i) When the **Premises** first become **Unoccupied** the **Insured** or the **Insured's** nominee must carry out a detailed inspection of all doors, windows and other access points to ensure that they are secure against unauthorised entry and document both the inspection and any action required.
 - ii) Thereafter, the **Insured** or the **Insured's** nominee must inspect the **Premises** every seven days, keeping a written record, and if the measures taken have proved inadequate, improvements must be made and documented.
 - iii) If illegal entry or attempt thereat is detected more than three times in any one **Period of Insurance**, immediate notice must be given to **Underwriters**
- e) all waste, refuse, and any loose or moveable combustible items or materials other than fixtures and fittings are cleared from the buildings and removed from the **Premises** at least once a week
- f) tanks containing fuel or other flammable liquids are drained and purged within 7 days of the **Buildings** becoming **Unoccupied**
- g) the **Buildings** are inspected at least once every 7 days by the **Insured** or the **Insureds** nominee in order to inspect the **Premises** both internally and externally and to carry out any work necessary to maintain the above security arrangements. A record will be kept of such inspections
- h) notice is to be given to **Underwriters** when any untenanted or **Unoccupied** building (or part thereof) is again occupied

Certificate Exclusion 9 is hereby deleted.

Defined Perils are hereby restricted to 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, earthquake, storm, flood or impact by any road vehicle or animal, falling trees, branches and falling aerials.

Underwriters will not be liable for any loss in excess of GBP 10000 in respect of **Damage** by malicious persons

Certificate Endorsements continued

(Applicable only if specified in the **Schedule**)

PO22 - Weekly Waste Condition

It is a condition precedent to liability that all combustible trade waste and refuse is swept up daily and kept in bags or bins and removed from the **Buildings** at least once a week.

If the **Insured** fails to comply with this condition any claim for loss or **Damage** will not be paid.

PO23 - Amended Unoccupancy Conditions – Electricity

It is hereby noted and agreed that notwithstanding anything contained within part a) of the Unoccupancy Conditions or PO21 – Unoccupancy Conditions Wider Perils the electricity mains supply is to remain connected.

PO24 - Amended Unoccupancy Conditions – Gas

It is hereby noted and agreed that notwithstanding anything contained within part a) of the Unoccupancy Conditions or PO21 – Unoccupancy Conditions Wider Perils the gas supply is to remain connected.

PO25 - Amended Unoccupancy Conditions – Water

It is hereby noted and agreed that notwithstanding anything contained within parts a) and b) of the Unoccupancy Conditions or PO21 – Unoccupancy Conditions Wider Perils the water supply is to remain connected.

PO26 - Amended Unoccupancy Conditions – Electricity, Gas and Water

It is hereby noted and agreed that notwithstanding anything contained within parts a) and b) of *the* Unoccupancy Conditions or PO21 – Unoccupancy Conditions Wider Perils the electricity, gas and water supplies are to remain connected

PO27 – Illegal Cultivation of Drugs

The **Underwriters** shall indemnify the **Insured** in respect of **Damage** arising out of the **Insured's** tenants use of the **Premises** for the manufacture, cultivation, harvest or processing by any other method of drugs classed as a controlled substance under the Misuse of Drugs Act (1971) provided that the **Insured**:

- a) carries out internal and external inspections of the **Premises** at least every three months or as permitted under the tenancy agreement and maintains a log of such inspections which is retained for at least twenty-four months and carries out a six monthly management check of the inspections log
- b) obtains and records written formal identification of any respective tenant
- c) obtains and retains a written employers reference for any new tenant
- d) obtains and records details of the **Insured's** tenants' bank account and verifies those details by taking out at least one payment from such an account
- e) advises the **Insured's** tenant, where sub-letting is allowed by the tenancy agreement, that they must follow the measures laid out in b), c) and d) above for all lettings that they arrange

For the purposes of this clause only, **Certificate Exclusion** 14 is hereby deleted.

PO28 – Listed Building Condition

It is a condition precedent to liability that a professional valuation is carried out within 60 days unless one has previously been carried out and accepted by **Underwriters** within the last 24 months

Certificate Conditions

Alteration in Risk

If after the commencement of this insurance there is any alteration in risk;

- a) by removal
- b) by change of occupation or use of the **Property Insured**
- c) whereby the risk of **Damage** accident or liability is increased

then, unless such alteration is agreed in writing by **Underwriters**, cover in respect of the affected **Premises** ceases.

- d) the **Business** is wound up or carried on by a liquidator or receiver or permanently discontinued
- e) whereby the **Insureds** interest ceases except by will or operation of law

then, unless such alteration is agreed in writing by **Underwriters**, all cover under the **Certificate** ceases

Arbitration

If any difference shall arise as to the amounts to be paid under this **Certificate** (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions. Where any difference is by this Condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against the **Underwriters**.

Asbestos Condition

- 1) This **Certificate** 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 **Certificate** to which this endorsement is attached and in addition to each of the following specific limitations;

- a) the said building or structure must be insured under this **Certificate** for **Damage** by a Listed Peril.
- b) the Listed Peril must be the immediate sole cause of the **Damage** to the asbestos.
- c) the **Insured** 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 **Certificate** 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**.

This **Certificate** 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**.
- 2) Except as set forth in the foregoing Part A. of this endorsement, this **Certificate** does not insure asbestos or any interest relating thereto.

Certificate Conditions continued

Cancellation

This **Certificate** may be cancelled at any time at the request of the **Insured** in writing to the Intermediary who effected the **Certificate**, and the premium hereon shall be adjusted on the basis of the **Underwriters** receiving or retaining a minimum of 33.33% of the annual premium in respect of Sections 1 and 2 in the first year of insurance but where the **Premises** are **Unoccupied** at inception of the **Certificate**, the amount retained by **Underwriters** in respect of Sections 1 and 2 is amended as follows:

Period of Insurance	% of premium retained
Up to 4 months	50%
Up to 5 months	60%
Up to 6 months	70%
Up to 7 months	80%
Up to 8 months	90%

No return premium is applicable for periods in excess of 8 months

In the second and any subsequent years a pro-rata refund would apply respect of Sections 1 and 2

Provided that;

- a) no claims have been made under the **Certificate** for which **Underwriters** have made a payment
- b) no claims have been made under the **Certificate** which are still under consideration
- c) no event has occurred which may give rise to a claim but has yet to be reported to **Underwriters**

The premium in respect of Sections 3 and 4 is earned in full and no refund premium is available for these section.

The cost(s) of any survey fees incurred by **Underwriters** will be deducted from any return premium due.

Notwithstanding anything contained within the Survey Clause, this **Certificate** may also be cancelled by or on behalf of the **Underwriters** by 14 days notice given in writing to the **Insured** at his last known address, and the premium hereon shall be adjusted on the basis of the **Underwriters** receiving or retaining pro rata premium. Notice shall be deemed to be duly received in the course of the post if sent by pre paid letter-post properly addressed.

Claims – Insured’s Duties

On the happening of any event which may give rise to a claim the **Insured** shall;

- a) General - applicable to all Sections;
 - i) notify the **Underwriters** immediately, but in any event, within 30 days
 - ii) take all practicable steps to recover property lost and otherwise minimise the claim
 - iii) inform the Police immediately and **Underwriters** within 14 days if the **Damage** is caused by thieves, malicious persons or vandals or by riot, civil commotion, strikes or labour disturbances
 - iv) give all information and assistance the **Underwriters** may require in a timely manner
- b) Applicable to Section 1 – Buildings;
Within 30 days or such further time as the **Underwriters** may in writing allow deliver to the **Underwriters** a written claim providing at the **Insured’s** own expense all details proofs and information regarding the cause and amount of **Damage** as the **Underwriters** may reasonably require together with details of any other insurances on any **Property Insured** by this **Certificate** and (if demanded) a statutory declaration of the truth of the claim and of any related matters

No claim under this Section shall be payable unless the terms of this condition have been complied with.

- c) Applicable to Section 2 - Rental Income;
 - i) within 14 days after the expiry of the **Indemnity Period** or within such further time as the **Underwriters** may in writing allow at the **Insured’s** own expense deliver to the **Underwriters** a statement setting out particulars of the claim together with details of all other insurances covering any part of the **Damage** or resulting loss of rental income
 - ii) the **Insured** shall at their own expense also provide the **Underwriters** with such books of account and other business books, vouchers, invoices, balance sheets, and other documents, proofs, information, explanations and other evidence as may reasonably be required by the **Underwriters** for the purpose of investigating or verifying such claim together with (if demanded) a statutory declaration of the truth of the claim and of any related matter

No claim under this Section shall be payable unless the terms of this condition have been complied with and in the event of non-compliance therewith in any respect any payment on account of the claim already made shall be repaid to the **Underwriters** immediately.

Certificate Conditions continued

- d) Applicable to Section 3 – Property Owners Liability and Section 4 – Employers Liability;
 - i) not make or allow to be made on their behalf any admission offer promise payment or indemnity without the written consent of the **Underwriters**
 - ii) immediately forward to the **Underwriters** every letter claim writ summons and process immediately upon receipt without acknowledgement
 - iii) advise the **Underwriters** in writing immediately they have any knowledge of any impending prosecution inquest Fatal Accident or Ministry Enquiry.

Claims – Underwriters’ Rights

The **Underwriters**;

- a) On the happening of **Damage** in respect of which a claim is made may without thereby incurring any liability or diminishing any of the **Underwriters’** rights under this **Certificate** enter take or keep possession of the **Premises** where such **Damage** has occurred and take possession of or require to be delivered to the **Underwriters** any **Property Insured** and deal with such property for all reasonable purposes and in any reasonable manner

No property may be abandoned to the **Underwriters** whether taken possession of by the **Underwriters** or not.

- b) shall have full discretion in the conduct of any proceeding and in the settlement of any claim.

Change in Tenancy Clause

The **Insured** must advise the **Underwriters** of all changes in tenancy or occupation within the **Property Insured**.

Conditions Precedent

Where a clause is labelled as a Condition Precedent, any breach of the obligations imposed by the clause, whether or not related to any **Damage**, shall be a bar to any claim under the **Certificate**

Contracts (Rights of Third Parties) Act

The parties to this contract do not intend that any clause or term of this contract should be enforceable by virtue of the Contracts (Right of Third Parties) Act 1999 by any person who is not a party to this contract.

Data Protection Act 1998

We may store **Your** information on a computer and use it for administration, risk assessment, research and statistical purposes, marketing purposes and for crime prevention (see further details below). **We** will only disclose **Your** personal details to third parties, if it is necessary for the performance of **Your** contract with us.

In order to assess the terms of the insurance contract or administer claims that arise, **We** will need to collect data that the Data Protection Act defines as sensitive such as medical history or criminal convictions. By proceeding with this contract **You** will signify **Your** consent to such information being processed by the insurers or their agents.

We will keep **Your** information secure at all times. In certain circumstances, for example for systems administration purposes, **We** may have to transfer **Your** information to another country, which may be a country outside the European Economic Area (“EEA”). By proceeding with **Your** insurance application, **We** will assume **You** are agreeable for **Us** to transfer **Your** information to a country outside the EEA.

Electrical Circuit Maintenance Condition

It is a condition precedent to liability that at the time of **Damage**, the **Insured** must hold a satisfactory electrical certificate for the whole of the **Premises** which has been issued in accordance with BS7671 (the IET Wiring Regs) by a contractor approved by the National Inspection Council for Electrical Installation Contractors (NICEIC) or ECA (Electrical Contractors Association) and which is free from any urgent remedial action and is less than 3 years old, unless specifically agreed otherwise by **Underwriters**

E.U. Disclosure Clause

The Parties are free to choose the law applicable to this Insurance Contract. Unless specifically agreed to the contrary this insurance shall be subject to English Law.

Fraud

If any claim be in any respect fraudulent or if any fraudulent means or devices be used by the **Insured** or anyone acting on their behalf to obtain any benefit under this **Certificate** or if any **Damage** be occasioned by the wilful act or with the connivance of the **Insured** all benefit under this **Certificate** shall be forfeited.

Identification

This **Certificate** and the **Schedule** (which forms an integral part of this **Certificate**) shall be read together as one contract and words and expressions to which specific meanings have been attached in any part of this **Certificate** or of the **Schedule** shall bear such specific meanings wherever they may appear.

Certificate Conditions continued

Insurable Interest

The insurable interest in the insurance by this Policy shall not be transferred without the written consent of the Insurers.

Maintenance and Safety Requirements

It is a condition precedent to liability that:

- (a) At the time of **Damage** the **Insured** must hold a satisfactory Gas Safety Record for the whole of the **Premises** which has been issued by a Gas Safe registered engineer and which is free from any defect and is less than 1 year old
- (b) If furnished, all upholstered furniture must meet the Fire and Furniture Regulations Act. Any furniture added to the property after 1 March 1993 must keep to the relevant fire resistance requirements
- (c) **You** must give **Your** tenants all relevant instruction manuals

You must keep records of all inspections, checks and work that has been carried out. **We** must be able to inspect these records.

Note: conditions (a), (b) and (c) do not apply to any part of the **Premises** that are occupied by the **Insured**

Minimum Security Requirements (A)

- a) It is a condition precedent to liability under this **Certificate** that all protections provided for the safety of the **Premises** shall be maintained in good order and shall not be withdrawn altered or varied without the prior consent of the **Underwriters** and shall be in full and effective operation when the **Premises** are closed for business or left unattended, and at all other appropriate times
- b) It is a condition precedent to liability under this **Certificate** that any alarm and/or system forming part of the protections shall be maintained in full and efficient working order under a contract to provide both corrective and preventive maintenance with the installing company or in accordance with the manufacturer's recommendations
- c) It is a condition precedent to liability under this **Certificate** that;
 - i.) external glass doors in aluminium or UPVC frames are fitted with a swingbolt mortise lock
 - ii.) all other external doors are fitted with a five lever mortise deadlock conforming to BS3621 or locking bars secured by five lever close shackle padlocks
 - iii.) outward external doors are also fitted with hinge bolts and the first closing leaf of any double doors also fitted with internal flush or mortise rack bolts top and bottom
 - iv.) key operated window locks are fitted to all windows and skylights which are accessible from the ground, adjoining roofs, porches, fire escapes or downpipes
- d) In the event of the **Insured** receiving any notification;
 - i) that the police authority attendance or any contractually provided attendance in response to alarm signals and/or calls from any alarm system may be withdrawn or the level of response reduced or delayed or
 - ii) from a Local Authority or Magistrate imposing any requirement for abatement of nuisance in respect of any alarm system or
 - iii) that any alarm system cannot be returned to or maintained in full working orderthen with immediate effect:
 - 1) it shall be a condition precedent to liability under this **Certificate** that the **Insured** shall notify **Underwriters** as soon as possible, at which time **Underwriters** shall reserve the right to vary terms or cancel cover provided under this **Certificate**
 - 2) the **Insured** shall be responsible for the first 20% of any loss destruction or **Damage** by theft or attempted theft subject to a minimum contribution of GBP2,500
 - 3) it shall be a condition precedent to liability under this **Certificate** that the **Insured** shall comply with any requirements that **Underwriters** impose in response to such notice.

If the **Insured** fails to comply with any of the above conditions any claim for loss or **Damage** will not be paid.

Misrepresentation and Misdescription

This **Certificate** shall be voidable in any event of misrepresentation misdescription or non-disclosure in any material particular.

Certificate Conditions continued

Non Invalidation Clause

The Insurance under this **Certificate** shall not be invalidated by any alteration in the use of the Premises whereby the risk of **Damage** is increased unknown to or beyond the control of the **Insured** provided that, immediately the **Insured** becomes aware thereof they shall give notice to **Underwriters** and pay an additional premium if required.

Other Insurances and Average

- a) Applicable to Section 1 – Buildings;
 - i) if at the time of any **Damage** there is any other insurance effected by or on behalf of the **Insured** covering any of the property **Damaged** the liability of the **Underwriters** hereunder shall be limited to its rateable proportion of such **Damage**
 - ii) if any other insurance shall be subject to any average (under insurance) condition this Section if not already subject to any Condition of Average shall be subject to Average in like manner
 - iii) if any other insurance is subject to any provision whereby it is excluded from ranking concurrently with this Section either in whole or in part or from contributing rateably the liability of the **Underwriters** hereunder shall be limited to that proportion of the **Damage** as the **Sum Insured** hereby bears to the value of the property.
- b) Applicable to Section 2 - Rental Income;
If at the time of any **Damage** resulting in a loss under this Section there be any other insurance effected by or on behalf of the **Insured** covering such loss or any part of it the liability of the **Underwriters** hereunder shall be limited to its rateable proportion of such loss
- c) Applicable to Section 3 - Property Owners Liability and Section 4 – Employers Liability;
The **Underwriters** will not indemnify the **Insured** in respect of liability which is insured or would but for the existence of the Section(s) be insured elsewhere except in respect of any excess beyond the amount payable under such other insurance had this insurance not been effected.

Pipe Lagging Condition

It is a condition precedent to liability that either;

- a) there is a heating system linked to a frost-stat and a minimum temperature of 4°C is maintained between 31st October and 31st March or
- b) all pipes are adequately lagged.

Portable Heating Condition

It is a condition precedent to liability that there is no use or storage on the **Premises** of paraffin or portable gas heaters or containers unless specifically agreed by the **Underwriters** prior to such use or storage.

Reasonable Precautions

The **Insured** shall;

- a) take all reasonable precautions to prevent occurrences which may give rise to **Damage** or accidents
- b) take all reasonable steps to comply with statutory requirements obligations and regulations imposed by any authority
- c) take immediate steps to make good or remedy any defect or danger which becomes apparent or take such additional precautions as circumstances may require.

Reinstatement

If any **Property Insured** by Section 1 - Buildings is to be reinstated or replaced by the **Underwriters** the **Insured** shall at their own expense provide all such plans documents books and information as may be reasonably required. The **Underwriters** shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than its **Sum Insured**.

Several Liability Notice

The subscribing Underwriters' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing Underwriters are not responsible for the subscription of any co subscribing Underwriter who for any reason does not satisfy all or part of its obligations.

Certificate Conditions continued

Sprinkler Maintenance Conditions

In respect of any installation(s) of Automatic Sprinklers at the **Insured Premises** it is a condition precedent to **Underwriters'** liability that the **Insured** hereby undertake(s) to

1. make a test every week for the purpose of ascertaining that the Alarm Gong is in working order and that the Stop Valve controlling the individual water supplies and the installation are fully open
2. make quarterly or half-yearly test if required by the **Underwriters** to do so for the purpose of ascertaining that each water supply is in order and record the particulars of each test
3. make a test every weekday (holidays excepted) of
 - (i) the Brigade connection
 - (ii) the circuit between the alarm switch and the control unit and
 - (iii) the batteries in respect of each approved system for the transmission of alarm signals from sprinkler installations to a Fire Brigade

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

Note 2: where the circuits in (i) and (ii) are continuously monitored tests need only be made once per week

4. remedy promptly any defect revealed by such tests
5. notify the **Underwriters** before any installation is rendered inoperative or immediately in the event of an emergency
6. allow the **Underwriters** access to the premises at all reasonable times for the purpose of inspecting the sprinkler installation
7. have in force during the **Period of Insurance** a contract with approved installing engineers providing for the maintenance of and half-yearly inspection of the installations(s) and to obtain from them following each inspection certification that they are in satisfactory working order

Subrogation

Any claimant under this **Certificate** shall at the request and at the expense of the **Underwriters** take and permit to be taken all necessary steps for enforcing rights against any other party in the name of the **Insured** before or after any payment is made by the **Underwriters**

The **Underwriters** shall be entitled to take over and conduct in the name of the **Insured** the defence or settlement of any claim or to prosecute in the name of the **Insured** at its own expense and for its own benefit any claim for indemnity or damages or otherwise.

Certificate Conditions continued

Unoccupancy Conditions

It is a condition precedent to liability that when any building (or part thereof) are **Unoccupied**;

- a) all gas, water and electricity mains supplies are kept disconnected (except those supplies required to maintain automatic sprinkler installations, lighting or alarm systems which are to remain in operation for security or fire protection purposes)
- b) all water tanks, apparatus, pipes and heating other than those connected to automatic sprinkler systems are drained down
- c) The following minimum protections are taken:
 - i) all doors and windows are securely locked and fastened
 - ii) any letter boxes are sealed
 - iii) all security and alarm protections are set in full operation and are in proper working order
- d)
 - i) When the **Premises** first become **Unoccupied** the **Insured** or the **Insured's** nominee must carry out a detailed inspection of all doors, windows and other access points to ensure that they are secure against unauthorised entry and document both the inspection and any action required.
 - ii) Thereafter, the **Insured** or the **Insured's** nominee must inspect the **Premises** every seven days, keeping a written record, and if the measures taken have proved inadequate, improvements must be made and documented.
 - iii) If illegal entry or attempt thereat is detected more than three times in any one **Period of Insurance**, immediate notice must be given to **Underwriters**
- e) all waste, refuse, and any loose or moveable combustible items or materials other than fixtures and fittings are cleared from the buildings and removed from the **Premises** at least once a week
- f) tanks containing fuel or other flammable liquids are drained and purged within 7 days of the **Buildings** becoming **Unoccupied**
- g) the **Buildings** are inspected at least once every 7 days by the **Insured** or the **Insureds** nominee in order to inspect the **Premises** both internally and externally and to carry out any work necessary to maintain the above security arrangements. A record will be kept of such inspections
- h) notice is to be given to **Underwriters** when any untenanted or **Unoccupied** building (or part thereof) is again occupied

Defined Perils are hereby restricted to fire lightning aircraft and explosion only.

Use of Heat Conditions

It is a condition precedent to liability that if the **Underwriters** have specifically agreed to allow the use or application of heat (as defined below) taking place on the **Premises**, the following precautions are complied with on each occasion;

- a) application of heat by means of electric, oxyacetylene or other welding or cutting equipment or angle grinders, blow lamps, blow torches, hot air guns or hot air strippers;
 - i) the area in the immediate vicinity of the work (including in the case of work carried out on one side of a wall or partition, the opposite side of the wall or partition) is cleared of all loose combustible material; other combustible material is covered by sand or over-lapping sheets or screens of non-combustible material
 - ii) at least two adequate and appropriate portable fire extinguishers, in proper working order, are kept in the immediate area of the work being undertaken and used immediately smoke or smouldering or flames are detected
 - iii) a fire safety check of the working area is made approximately 60 minutes after the completion of each period of work and immediate steps taken to extinguish any smouldering or flames discovered
 - iv) blow lamps and blow torches are filled in the open and are not lit until immediately before use and are extinguished immediately after use
 - v) a person is appointed by the **Insured** to act as an observer to watch for signs of smoke or smouldering or flames
- b) use of asphalt, bitumen, tar, pitch or lead heaters;
 - i) the heating is carried out in the open in a vessel designed for the purpose and, if carried out on a roof, the vessel is placed on a non-combustible heat insulating base.



LEGAL SERVICES

Essential Business Legal Section

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

- legal and tax helpline and
- 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:

- employment disputes and compensation awards
- tax protection
- property protection
- compliance & regulation
- 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.

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:
 - confirming the appointment of a suitably qualified representative who will promptly progress the claim for you; or
 - 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 Conduct Authority, registration number 452369 and 204930 respectively. This can be checked by visiting the FCA website at www.fca.org.uk/register or by contacting the FCA 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.

Significant Features & Benefits	Significant Exclusions or Limitations	Policy Section
<p>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.</p>	<ul style="list-style-type: none"> 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. 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. 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 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"> Any redundancy-related claim occurring within 180 days of you taking out this policy. Any dispute relating to a transfer under TUPE. 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 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"> Any claim for redundancy where you have not sought our prior advice. 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 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"> We will not pay the first £250 of any claim relating to a formal aspect enquiry. An investigation by the Specialist Investigations Branch of HM Revenue and Customs. 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 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. We will cover a dispute with your business tenant that arises from a written lease agreement granted under the Landlord & Tenant</p>	<ul style="list-style-type: none"> Any claim where a contract exists between you and the third party. 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>

Act 1954.		
<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 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</p> <p>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"> 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. Access our online law guide. Many documents offer legal review services. 	<ul style="list-style-type: none"> Documents are restricted to business matters within EU law. Many documents are free while others attract a modest charge. Legal review services are subject to a fee. 	
<p>Legal & Tax Advice</p> <p>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"> We will not put any advice in writing. Legal advice will be restricted to business matters within EU law. Tax advice is restricted to UK tax regulations. 	
<p>Counselling Assistance</p> <p>The insured can use this telephone assistance service 24 hours a day, 365 days of the year.</p>		
	<p>Territorial Limit</p> <p>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</p> <p>The maximum the insurer will pay is £100,000.</p> <p>Period of Insurance</p> <p>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>

Essential Business Legal

This policy is evidence of the contract between **you** and the **insurer**.

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
 - always has **reasonable prospects of success**
 - is reported to **us**
 - during the **period of insurance**
 - 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
 - falling under the jurisdiction of an Employment Tribunal or the **small claims court**, and/or
 - 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:
 - Pay As You Earn, or
 - Social Security, or
 - National Insurance Contributionsfollowing 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.

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

What is not insured under Insured Event 4

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 Essential Business Legal 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:

- assault, violence or dishonesty;
 - malicious falsehood;
 - the manufacture, dealing in or use of alcohol, illegal drugs, indecent or obscene materials;
 - illegal immigration;
 - offences under Part 7 of the Proceeds of Crime Act 2002 (money laundering offences)
4. the defence of legal proceedings relating to
 - damages for personal injury (other than injury to feelings), or loss or damage to property owned by the **insured**
 - a breach or alleged breach of professional duty
 - 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 ESSENTIAL BUSINESS LEGAL 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) tell **us** immediately of anything that may materially alter **our** assessment of the claim
- e) 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
- f) provide **us** with everything **we** need to help **us** handle the claim
- g) 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**
- h) tell the **appointed advisor** to have the **legal costs & expenses** assessed or audited if **we** require
- i) minimise any **legal costs & expenses** and try to prevent anything happening that may cause a claim
- j) 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** has the right to cancel the policy at any time by giving at least 21 days 'written notice to the **insured**. The **insurer** will refund part of the premium for the unexpired term. **We** will set out the reason for cancellation in writing. Valid reasons may include but are not limited to:

- a) where the party claiming under this policy fails to co-operate with or provide information to **us** or the **appointed representative** in a way that materially affects **our** ability to process a claim, or **our** ability to defend the **insurer's** interests,
- b) where the party claiming under this policy uses threatening or abusive behaviour or language, or intimidation or bullying of **our** staff or suppliers,
- c) where **we** reasonably suspect fraud.

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, as shown in the schedule. 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** as shown in the schedule.

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 in respect of Essential Business Legal Cover

Step 1

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:

- ☎ 0117 917 1561 (hours of operation are 9am-5pm, Monday to Friday excluding bank holidays, for our mutual protection and our training purposes, calls may be recorded).
- @ customerrelations@arag.co.uk
- ✉ ARAG plc, 9 Whiteladies Road, Clifton, Bristol, BS8 1NN

Step 2

Should you remain dissatisfied you may be entitled to pursue your complaint further with Lloyd's. They can be reached in the following ways:

- ☎ 0207 327 5693, Fax: 0207 327 5225
- @ complaints@lloyds.com
- ✉ Policyholder & Market Assistance, Market Services, Lloyd's, Fidentia House, Walter Burke Way, Chatham Maritime, Kent ME4 4RN

Step 3

If Lloyd's is not able to resolve the complaint to your satisfaction then 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:

- ☎ 0845 080 1800
- @ enquiries@financial-ombudsman.org.uk
- ✉ Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR.

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

If your complaint cannot be dealt with by the FOS, it can be referred for independent arbitration. 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 is authorised and regulated by the Financial Conduct Authority firm registration number 452369.

Brit Syndicates Limited, the managing agent for Brit Syndicate 2987 at Lloyd's, is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.

This can be checked by visiting the FCA website at www.fca.org.uk/register or by contacting the FCA on 0845 606 1234.

ARAG plc and Brit Syndicate 2987 at Lloyd's are covered by the Financial Ombudsman Service.

www.ARAG.co.uk