

ARRANGED BY



sutton
specialist risks limited

ELECTRICAL, HEATING, VENTILATION AND AIR CONDITIONING CONTRACTORS

POLICY DOCUMENT

UNDERWRITTEN BY





Underwritten by QBE Insurance (Europe) Limited

This policy has been exclusively arranged by:

SUTTON SPECIALIST RISKS LTD

**Bull Wharf Redcliff Street
Bristol
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**Authorised and regulated by the Financial Conduct Authority
Registration Number 306946**

This policy has been issued through Sutton Specialist Risks Limited and any claims or underwriting queries should be forwarded to them at the above address.

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THE AGREEMENT

1 Parties to this agreement

This policy is between **you** and **us** as declared in the schedule. This document, together with its schedule and any attached endorsements is the policy which sets out this insurance. It is a legal contract so please read all of it carefully. Please refer to **your** schedule for confirmation of the level of cover **you** have chosen. If no Section heading appears in the schedule or the phrase 'Not Insured' is shown against that heading **you** have no cover under that Section.

We have relied upon the information **you** have provided and/or information agreed between **you** and **us** by way of a **proposal form, statement of fact** or otherwise. This information has been used by **us** to assess the terms and premium for this contract of insurance.

It is very important that the information remains up to date and is correct – if it is not then **we** may not pay **your** claim, **we** may void **your** policy or impose additional conditions, charge an additional premium and reduce **your** claim proportionately (please read Remedies for breach of duty of fair presentation).

2 Words in bold italics

Words in **bold italics** typeface used in this policy document, other than in the headings, have specific meanings attached to them as set out in the General definitions and Section definitions.

This policy has been signed on the date of issue stated in the original schedule.

Signed on behalf of QBE Insurance (Europe) Limited



Richard Pryce, Chief Executive Officer

GENERAL DEFINITIONS

Certain words and expressions in the policy have been defined in a particular way and have the same meaning wherever they appear. General definitions shown hereafter apply throughout the policy and definitions applicable only to certain Sections appear at the beginning of the Section to which they relate. The defined words and expressions are shown in ***bold italics***.

1. *Airside*

Airside means that part of any aerodrome, airfield, airport or military installation provided for:

- 1.1. the take-off and landing of aircraft and aerial devices or the movement of aircraft and aerial devices on the ground; and
- 1.2. aircraft parking, including any associated service roads, refuelling areas, ground equipment parking areas, aprons, maintenance areas and hangars.

2. *Bodily injury*

Bodily injury means:

- 2.1. under sections A – G, I and J bodily injury means death, disease, illness, physical and mental injury of or to an individual; but
- 2.2. under section H bodily injury means death or injury caused by a specific or sudden accident.

3. *Breakdown*

Breakdown means mechanical or electrical breakdown, failure and/or derangement.

4. *Building(s)*

Buildings means buildings situated at the ***premises*** including:

- 4.1. landlords' fixtures and fittings including tenants' improvements;
 - 4.2. foundations;
 - 4.3. walls, gates and fences and the adjoining gangways, yards, roadways or pavements constructed of concrete or asphalt;
 - 4.4. drains, sewers and gutters;
 - 4.5. outbuildings, annexes and extensions together with extensions and canopies adjoining to or communicating therewith;
 - 4.6. security lighting, security cameras and other security or fire protection devices, affixed signs, television, radio, satellite receiving aerials, communication aerials, their fittings and masts affixed to the buildings walls gates fences fixed poles or fixed pylons at the ***premises***;
 - 4.7. telephone, gas, water and electricity meters, piping, ducting, trunking, cables, wires and associated control gear, instruments and accessories and the like, including such property for which ***you*** are responsible but which is in or under adjoining yards or roadways extending to the public mains and which partly or wholly serves to supply the ***premises***;
 - 4.8. underground storage tanks;
- but excluding property more specifically insured.

GENERAL DEFINITIONS

5. **Business**

Business means **your** activities as stated in the schedule and including:

- 5.1. provision and management of canteens, sports, social and welfare and medical organisations for the benefit of **your employees** and/or their pensioners, sponsorships, medical, dental, nursing, first aid, fire, rescue and ambulance services, principally in connection with but not limited to **your** operations;
- 5.2. provision of security services for **your** benefit;
- 5.3. provision of nursery, crèche or child care facilities where incidental to the **business**;
- 5.4. provision of educational facilities for **your** benefit;
- 5.5. property owners, lessors and lessees including repair refurbishment and maintenance of such property;
- 5.6. organisation of and participation in exhibitions, trade fairs, conferences and the like;
- 5.7. private work undertaken by any **employee** for any of **your** fellow **employees**, directors or partners or executives;
- 5.8. employment of subcontractors for performance of work on **your** behalf;
- 5.9. the organisation of charitable events or similar fund raising activities;
- 5.10. sponsorship of events, organisations, entities and individuals;
- 5.11. repair, maintenance and servicing of **your** own mechanically propelled vehicles;
- 5.12. sale or disposal of **your** own property and goods, including mechanically propelled vehicles owned by **you**;
- 5.13. provision of gifts and promotional material incidental to the **business**.

6. **Consignment**

Consignment means all goods sent at one time in one load from one address to one destination.

7. **Contents**

Contents means all contents belonging to **you** or for which **you** are responsible used in connection with the **business** at the **premises** including:

7.1 **Machinery**

Machinery means machinery, plant, tenants' improvements, alterations, fixtures and fittings.

7.2 **Electronic business equipment and computers**

Electronic business equipment and computers means:

- 7.2.1 Electronic business equipment comprising printers, photocopiers, facsimile machines and telecommunications systems.
- 7.2.2 Computers comprising computer equipment, personal computers, word processing equipment, lap top computers, computer aided design equipment, keyboards, visual display units, desk top publishing equipment, graphic design equipment, and electronic imaging equipment.

7.3 **Stock**

Stock means stock and materials in trade including work in progress and goods in trust.

GENERAL DEFINITIONS

7.4 **Non-ferrous metals**

Non-ferrous metals means stock and materials in trade consisting of non-ferrous metals other than aluminium.

7.5 **Portable tools**

Portable tools means portable tools used in connection with the **business** which belong to **you** or **your employees**.

7.6 **Portable electronic business equipment**

Portable electronic business equipment means portable electronic business equipment comprising lap top computers, electronic note pads, modems, facsimile machines, mobile phones, satellite navigation equipment, pagers, dictation machines and calculators used in connection with the **business** which belong to **you** or **your employees** or for which **you** or **your employees** are responsible.

7.7 **All other contents**

All other contents means the following property:

7.7.1 documents, deeds, manuscripts and **business** books, but only for the value of the materials as stationery, together with the cost of clerical labour expended in writing them up and not for the value of the information they may contain

7.7.2 computer systems records, but only for the value of the materials together with the cost of clerical labour and computer time expended in reproducing the records and not for the value of the information they may contain, for an amount not exceeding GBP50,000 (excluding any expenses in connection with the production of information to be recorded) provided that **you** back-up at least weekly the latest updated data onto a disk and maintain this away from the **premises**

7.7.3 patterns, models, moulds, plans and designs for an amount not exceeding the cost of the labour and materials expended in reinstatement

7.7.4 clothing and personal effects belonging to **you** or **your employees** for an amount not exceeding GBP1,000 in respect of the property of any one person but excluding property more specifically insured.

8. **Damage**

Damage means:

8.1 loss of, destruction of or damage to tangible property; and / or

8.2 for section B loss of use of tangible property that has been lost destroyed or damaged.

9. **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.

GENERAL DEFINITIONS

10. **Employee(s)**

For all sections other than section F and section H of this policy, employee means any person whilst:

- 10.1. engaged under a contract of service or apprenticeship with **you**
- 10.2. acting in the capacity of **your** non-executive director
- 10.3. not under a contract of service or apprenticeship who is, at **your** requirement, supplied to, hired or borrowed by **you** in the course of the **business** and under **your** control, including but not limited to:
 - 10.3.1 persons on secondment from another company that is not an insured party under this policy;
 - 10.3.2 labour masters or persons supplied by them;
 - 10.3.3 labour only sub-contractors;
 - 10.3.4 self-employed persons;
 - 10.3.5 drivers or operators of hired-in plant;
 - 10.3.6 persons engaged under work experience, training, study, exchange or similar schemes;
 - 10.3.7 any officer or member of the organisations or services stated in the **business**
 - 10.3.8 voluntary workers, helpers and instructors;
 - 10.3.9 persons working under the Community Offenders Act 1978, the Community Offenders (Scotland) Act 1978 or similar legislation;
 - 10.3.10 employee(s) elected on any industry users committee;
 - 10.3.11 prospective employees who are being assessed by **you** as to their suitability for employment;
 - 10.3.12 outworkers or home workers employed under contracts to personally execute any work in connection with the **business** whilst they are engaged in that work;
 - 10.3.13 any other person defined under Sections 32-(1), 35-(2) and 54-(3)(b) of the National Minimum Wage Act 1998;
 - 10.3.14 any person a Court of Law in the **United Kingdom** deems to be an employee; provided that **you** can always request that any such person is not treated as an employee.

For Section F only employee(s) includes **your** past and future directors.

For Section H only employee means any person whilst engaged under a contract of employment or apprenticeship with **you**.

11. **Hacking**

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

GENERAL DEFINITIONS

12. **Money**

Money means and includes:

12.1 **Negotiable money**

Negotiable money means cash bank and currency notes uncrossed cheques giro cheques including pre-authenticated giro cheques uncrossed warrants uncrossed postal and money orders current postage and revenue stamps National Savings stamps and certificates holiday with pay stamps and gift tokens National Insurance stamps (whether affixed to cards or not) debit card sales vouchers trading stamps luncheon vouchers and bills of exchange securities for money travel warrants and authenticated travel tickets phonecards and mobile telephone vouchers for **your** use or the use of any partner director or any of **your employees** in connection with **your business** consumer redemption vouchers and company sales vouchers and unexpired units in franking machines all belonging to **you** or for which **you** have accepted responsibility.

12.2 **Non-negotiable money**

Non-negotiable money means crossed warrants crossed cheques crossed giro drafts crossed postal and money orders crossed bankers' drafts crossed National Girobank cash cheques premium bonds savings bonds stamped National Insurance cards National Savings Certificates VAT purchase invoices and credit card sales vouchers all belonging to **you** or for which **you** have accepted responsibility.

13. **North America**

North America means the United States of America or Canada or any territory within their jurisdiction.

14. **Offshore**

Offshore means:

14.1 work in or on any offshore rig or platform or support or accommodation vessel for any offshore rig or platform; and/or

14.2 in transit to and from or between any offshore rig or platform or support or accommodation vessel for any offshore rig or platform from the time of embarkation onto a conveyance at the point of final departure to an offshore rig or platform until disembarkation from the conveyance onto land upon return from an offshore rig or platform.

15. **Period of insurance**

Period of insurance means the period shown as such on the schedule which time is taken as Greenwich Mean Time unless otherwise stated.

16. **Premises**

Premises means that part of the premises specified in the schedule which is occupied by **you** for the purposes of the **business**.

GENERAL DEFINITIONS

17. **Terrorism**

Terrorism means:

17.1 for Sections C, D, E and G for all territories other than England, Wales and Scotland:

an act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

17.1.1 endangers life other than that of the person committing the action; or

17.1.2 involves violence against one or more persons; or

17.1.3 involves **damage** to property; or

17.1.4 creates a risk to health or safety of the public or a section of the public; or

17.1.5 is designed to interfere with or to disrupt an electronic system.

17.2 for England, Wales and Scotland:

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

17.3 for Sections A, B, F, H, I and J terrorism means:

an activity that involves a violent act or the unlawful use of force or an unlawful act dangerous to human life, tangible or intangible property or infrastructure, or a threat thereof and appears to be intended to:

17.3.1 intimidate or coerce a civilian population; or

17.3.2 disrupt any segment of the economy of a government de jure or de facto, state, or country; or

17.3.3 overthrow, influence, or affect the conduct or policy of any government de jure or de facto by intimidation or coercion; or

17.3.4 affect the conduct or policy of any government de jure or de facto by mass destruction, assassination, kidnapping or hostage-taking.

18. **United Kingdom**

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

19. **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.

GENERAL DEFINITIONS

20. War

War means war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, revolution, rebellion, insurrection, uprising, military or usurped power, nationalisation, requisition, sequestration or confiscation by order of any public authority or government de jure or de facto or martial law but not including **terrorism**.

21. We/us/our/QBE

We/us/our/QBE means:

21.1 for Sections A – G, I and J; QBE Insurance (Europe) Limited whose Head Office and registered address is:
Plantation Place, 30 Fenchurch Street, London, EC3M 3BD, tel: 020 7105 4000 fax: 020 7105 4019. Registered in England No. 1761561. Home State - United Kingdom. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registration Number 202842.

21.2 for Section H; DAS Legal Expenses Insurance Company Limited, whose Head Office and registered address is:
DAS House, Quay Side, Temple Back, Bristol BS1 6NH. tel: 0117 934 2000 fax: 0117 934 2109 Home State - United Kingdom. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registration Number 202106.

22. You/your/the Insured

You/your/the insured means the company, person or people shown as the insured in the schedule including **your** legal or personal representatives in respect of legal liability incurred on **your** behalf.

SECTION A EMPLOYERS' LIABILITY

DEFINITIONS to section A

1 **Costs and expenses**

Costs and expenses means:

- 1.1 costs and expenses (other than claimant costs recoverable from **you**) incurred in the investigation, adjustment, appraisal, defence or settlement of an insured event, including expert, legal, appeal and defence costs;
- 1.2 pre-judgement interest awarded against **you** on that part of any judgement covered under this policy but where **we** offer to pay the **limit of indemnity** in settlement of a claim or suit, **we** will not pay any pre-judgement interest imposed or earned after the date of such offer;
- 1.3 all interest earned on that part of any judgement within the **limit of indemnity** after entry of the judgement and before **we** have paid, offered to pay, or deposited in court that part of any judgement that is within the applicable **limit of indemnity**;
- 1.4 the cost of attendance in court as a witness at **our** request, payable at the following rates per day on which attendance is required:
 - a) any of **your** directors or partners GBP500
 - b) any other **employee** GBP250
- 1.5 costs and expenses of legal representation at any coroner's inquest or inquiry in respect of any death which may be the subject of indemnity under this policy.

2 **Hostile territory**

Hostile territory means a territory designated by the Foreign & Commonwealth Office as one:

- 2.1 to which personnel are „advised against all travel to“;
- 2.2 that personnel should leave having designated the territory „advised against all travel to“.

3 **Limit of Indemnity**

Limit of indemnity means a maximum of GBP10,000,000 in respect of:

- 3.1 any one claim against **you** or series of claims against **you**; and
- 3.2 any claim or series of claims made by **you** under this policy;

arising out of one cause.

The indemnity provided by the Standard Clauses or any other amendment to this section shall not operate so as to increase the maximum amount payable in respect of claims arising out of one cause.

SECTION A EMPLOYERS' LIABILITY

COVER

We agree to indemnify **you** for all sums that **you** will become legally liable to pay as damages, including claimant costs recoverable from **you**, arising out of **bodily injury** caused during the **period of insurance** and sustained by an **employee** in the course of employment by **you** in the **business**, except that where such employment is undertaken temporarily outside the **United Kingdom**:

- 1 the **employee** must ordinarily be resident within the **United Kingdom** at the time the **bodily injury** is caused; and
- 2 the **employee** must be intending to return to the **United Kingdom** following completion of the temporary overseas employment, and the temporary overseas employment outside the **United Kingdom** is not intended or planned to exceed twelve (12) months duration.

ADDITIONAL COSTS AND EXPENSES

Following any event which is or may be the subject of indemnity under this Section, whether or not **bodily injury** has occurred, **we** agree to indemnify **you** for **costs and expenses** but the **costs and expenses** form part of the **limit of indemnity** and do not increase the **limit of indemnity**.

STANDARD CLAUSES

- 1 **Injuries to partners**
In respect of **bodily injury** sustained by any partner named in the schedule **we** will, for the purpose of this policy, deem that person to be an **employee**, provided that **we** are only liable under this extension where:
 - 1.1 the injuries are sustained whilst that person is working in connection with the **business**;
 - 1.2 the injuries are caused by another partner or **employee** whilst working in the **business**;
 - 1.3 the injured partner has a valid right of action in negligence against the partner or **employee** responsible for such injury.
- 2 **Contractual liability**
Where any contract or agreement entered into by **you** with any other party (henceforth called the „principal“) so requires, this Section will indemnify:
 - 2.1 **you** against liability arising in connection with and assumed by **you** in respect of that contract or agreement;or
 - 2.2 the principal in like manner to **you** in respect of the principal's liability arising from the performance of such a contract or agreement;

but only so far as concerns liability as specified in this Section to **your employees** and provided that:

SECTION A EMPLOYERS' LIABILITY

- 2.3 **you** have arranged with the principal for the conduct and control of all claims to be vested in **us**;
- 2.4 the principal as though he were **you** observes, fulfils and is subject to the terms and conditions of this Section insofar as they can apply;
- 2.5 we are not liable in respect of any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
- 2.5.1 ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- 2.5.2 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or its nuclear components;
- 2.6 **we** are not liable in respect of any legal liability for liquidated damages fines or penalties.

We will waive **our** rights of subrogation against any specified party as required by the contract or agreement.

3 Medical treatment

This Section extends to indemnify **you** and any medical doctor or dentist employed by **you** in respect of liability to any person under a contract of service or apprenticeship with **you** resulting from treatment given provided that:

- 3.1 any such doctor or dentist shall as though they were you be subject to the terms of this policy so far as they can apply; and
- 3.2 **we** will not provide an indemnity where any such doctor or dentist is indemnified under any other insurance or in any other way.

4 Employees' business liability

If required this Section will indemnify any **employee** in respect of a claim made against that **employee**, which would have constituted a valid claim under this Section had the claim been made against **you**.

5 Statutory defence costs including Health and Safety at Work, etc. Act 1974

We will, with **our** prior consent which consent will not be unreasonably withheld, indemnify **you** and if required, any **employee** in respect of legal **costs and expenses** incurred in defending:

- 5.1 any alleged breach of statutory duty (including any prosecution brought under sections 2 to 8 of the Health and Safety at Work etc. Act 1974, Health and Safety at Work (Northern Ireland) Order 1978 or similar legislation in the Isle of Man or the Channel Islands) or criminal proceedings brought; and/or
- 5.2 allegations (whether under common law or statute) of manslaughter, corporate manslaughter or corporate homicide made against **you** or any **employee**;

provided that the prosecution or proceedings relate to:

SECTION A EMPLOYERS' LIABILITY

- 5.3 an offence alleged to have been committed during the **period of insurance** and in the course of the **business**;
- 5.4 **bodily injury** to, or potential **bodily injury** to, **employees** including their health, safety and welfare;

and, **we** will also pay to **you**:

- 5.5 **costs and expenses** of appeal including appeal against improvement and prohibition notices incurred with **our** written consent which consent will not be unreasonably withheld;
- 5.6 prosecution costs awarded against **you**;

but the indemnity by this clause excludes and does not cover:

- 5.7 circumstances where **you** or any **employee** are entitled to indemnity by any other legal expenses, motor or employment protection policy;
- 5.8 in respect of allegations of manslaughter, corporate manslaughter or corporate homicide, any amount in excess of a **limit of indemnity** of GBP1,000,000 any one claim or series of claims arising out of the same prosecution or proceedings.

6 Unsatisfied court judgments

If an **employee** sustains **bodily injury** caused during the **period of insurance**, arising out of and in the course of employment by **you** for which a third party is legally liable and the **employee**:

- 6.1 is unable to enforce a judgement for damages against the third party, either in part or in whole within six (6) months of the date of the judgment, **we** will if required, indemnify the **employee** up to the amount of the adjudged damages and any awarded costs to the extent that they remain unsatisfied, provided that:
 - 6.1.1 this extension only applies to judgments made in a Court of Law outside **North America**;
 - 6.1.2 there is no appeal outstanding;
 - 6.1.3 the **employee** in return for the payment assigns his judgment to **us**.
- 6.2 is unable to institute or serve proceedings for damages against the third party within a reasonable period of time, or at all, **we** will if required pay the **employee** an amount equivalent to the sum which would reasonably be expected to be recovered in proceedings for damages in a Court of Law outside **North America** provided that the **employee**:
 - 6.2.1 assigns to **us** his legal rights granted from such proceedings or judgment;
 - 6.2.2 provides all reasonable assistance that **we** may require should it become possible to pursue the action.

SECTION A EMPLOYERS' LIABILITY

All costs reasonably incurred by the **employee** in compliance with this requirement will be reimbursed by **us**.

Any dispute arising out of this clause will be resolved by reference to an independent arbitrator acceptable to both the **employee** and **us**, who will be a practising solicitor experienced in personal injury claims and whose decision will be final.

7 Data Protection Act 1998

We will pay:

- 7.1 compensation including legal costs and expenses that **you**, or at **your** request **your employee** become responsible to pay at law following damage or distress and arising out of a claim under section 13 of Part II of the Data Protection Act 1998 or
- 7.2 legal costs and expenses in relation to a prosecution brought under section 21 of Part III of the Act concerning a claim by any **employee**.

But for this extension to apply:

- 7.3 **you** must have registered in accordance with the Act and
- 7.4 a claim must be first made against **you** or **your employee** during the **period of insurance**.

EXCEPTIONS

We will not pay:

- 7.5 fines or penalties of any kind
- 7.6 for the replacing, reinstating, rectifying or erasing of any personal data
- 7.7 compensation resulting from a deliberate or intentional act or in respect of an omission by **you** or **your employee**, the effect of which will knowingly result in a compensation claim under the Act
- 7.8 claims which arise out of circumstances notified to previous insurers or known to **you** at inception of this Section
- 7.9 the first ten (10) per cent of the claim or GBP500 whichever is the greater
- 7.10 an amount including costs and expenses exceeding **your limit of indemnity**
- 7.11 compensation or costs and expenses recoverable from any other insurance or in any other way.

The cover and exceptions will apply to compensation and legal costs and expenses recoverable under similar clauses in the Data Protection Act 1984.

SECTION A EMPLOYERS' LIABILITY

8 Conflict of interest

In the event of a conflict of interest between **you** and any **employee** indemnified by this Section separate representation will be arranged for each party.

9 Indemnity to other parties

We will if **you** so require also indemnify as if they were the **insured**

- 9.1 any of **your** directors, partners, **employees** or former **employees**
 - 9.2 any of **your** officers, members" committee and / or **employee** paid and voluntary helpers of
 - 9.2.1 canteen and welfare organisations
 - 9.2.2 nursery, crèche or child care facilities
 - 9.2.3 sports and social organisationsin their respective capacities as such
 - 9.3 any of **your** officers and members of
 - 9.3.1 security, rescue, first aid, fire and ambulance services
 - 9.3.2 medical organisationin their respective capacities as such
 - 9.4 any of **your** directors or partners or executives in respect of private work undertaken by any of **your employees** for directors, partners or executives
 - 9.5 any principal or any other party to the extent required by contract,
 - 9.6 any officers or trustees of **your** pension scheme(s),
 - 9.7 any other party not described above for whom **you** wish to accept responsibility to insure or to provide an indemnity,
- but **we** will not provide an indemnity
- 9.8 unless we have the sole conduct and control of any claim,
 - 9.9 where the other person is indemnified under any other insurance or in any other way.

Provided that where **we** agree to indemnify more than one party then nothing in this section shall increase **our** liability to pay any amount in respect of one claim or series of claims arising out of any one cause in excess of the amount stated as the **limit of indemnity**.

SECTION A EMPLOYERS' LIABILITY

10 Employers' Liability (Compulsory Insurance) Act 1969

The indemnity granted by this Section is deemed to be in accordance with the provisions of the Employers' Liability (Compulsory Insurance) Act 1969 and the Employers' Liability (Compulsory Insurance) Regulations 1998 or any subsequent amendment or re-enactment or similar legislation applying to Northern Ireland, the Isle of Man or the Channel Islands.

However, **you** shall repay to **us** all sums paid by **us** which **we** would not have been liable to pay but for the provision of such legislation.

11 War and terrorism

The insurance under this Section is extended to cover liability to an **employee** arising from or caused by an act of **war** or **terrorism** provided that the **limit of indemnity** under this clause will not exceed:

11.1 GBP5,000,000 anywhere in the world except in travel to, travel in, travel from or working in a **hostile territory**; or

11.2 GBP1,000,000 arising directly or indirectly whilst in travel to, travel in, travel from or working in a **hostile territory**;

in respect of:

11.3 any one claim against **you** or series of claims against **you**; and

11.4 any claim or series of claims made by **you** under this Section;

arising out of one occurrence.

But where an **employee** is already working in a territory that is subsequently declared to be a **hostile territory** the **limit of indemnity** will remain at GBP5,000,000 provided that **you** take all reasonable steps immediately following the declaration to repatriate the **employee** or to remove the **employee** to a safe location as determined by the local peace force or the Foreign & Commonwealth Office.

12 Waiver of subrogation against subsidiaries

In the event of any **employee** sustaining **bodily injury** arising out of and in the course of employment with **you** due to the negligence of **your** subsidiary and at **your** request, **we** agree to waive rights of subrogation against **your** subsidiary company.

SECTION A EMPLOYERS' LIABILITY

EXCLUSIONS

1 Road traffic legislation

This Section excludes liability for **bodily injury** sustained by an **employee** when the **employee** is

- 1.1 being carried in or upon a vehicle or
- 1.2 entering or getting into or alighting from a vehicle

in circumstances where insurance or security is required to be effected by **you** to comply with the Road Traffic Acts as amended by The Motor Vehicles (Compulsory Insurance) Regulations 1992 or any alteration to such Regulations or any similar legislation applying to Northern Ireland, the Isle of Man or the Channel Islands or to any other territory consequent on the Third Council Directive 90/232/EEC of 14/05/1990 relating to insurance against Civil Liability in respect of the use of motor vehicles.

2 War and terrorism

This Section excludes liability for all actual or alleged losses, liabilities, damages, injuries, defence costs or expense(s) directly or indirectly arising out of, contributed to or by, caused by, resulting from or in connection with **war** or **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

This exclusion also excludes from coverage all actual or alleged losses, liabilities, damages, injuries, defence costs or expense(s) directly arising out of, contributed to or by, caused by, resulting from, or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to **war** or **terrorism**.

Provided that this exclusion shall not apply in respect of and to the extent of the indemnity provided by Standard Clause 11 of this Section.

If **we** allege that by reason of this exclusion any actual or alleged losses, liabilities, damages, injuries, defence costs, costs or expenses are not covered by this section the burden of proving the contrary shall be upon **you**.

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

3 Hazardous activities

This Section excludes liability for **bodily injury** or liability directly or indirectly caused by or arising from work:

- 3.1 at height where the drop exceeds sixteen (16) metres,
- 3.2 at a depth which exceeds three (3) metres below the ground
- 3.3 undertaken by **you** or anyone else connected with the **business** on or at any premises or structures used in connection with the production, processing, transportation or storage of gas, oil, petrol or chemicals (other than retail garages, shops or offices)
- 3.4 undertaken by **you** or anyone else connected with the **business**

SECTION A EMPLOYERS' LIABILITY

- 3.4.1 *offshore*
- 3.4.2 on site located *airside*
- 3.4.3 on or alongside railway tracks
- 3.4.4 at any nuclear installation or establishment.

unless otherwise shown in the schedule.

4 **Workman's compensation or social security payment**

This Section excludes liability for any claims arising out of *bodily injury* that are payable by reason of any workman's compensation scheme, social security scheme or similar insurance scheme arising in connection with, from or due to employment but this exclusion will not apply to payments required to be made to the Compensation Recovery Unit or its successor.

SECTION B PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

DEFINITIONS to Section B

1 **Advertising injury**

Advertising injury means:

- 1.1 oral, broadcast, telecast or written publication of material that slanders or libels a person or disparages a person's goods, **products** or services;
- 1.2 oral, broadcast, telecast or written publication of material that violates an individual's right of privacy;
- 1.3 misappropriation of advertising ideas or style of doing business;
- 1.4 infringement of copyrighted advertising materials, titles or slogans;

In the course of advertising **your** goods, **products** or services.

2 **Costs and expenses**

Costs and expenses means:

- 2.1 costs and expenses (other than claimant costs recoverable from **you**) incurred in the investigation, adjustment, appraisal, defence or settlement of an insured event, including expert, legal, appeal and defence costs;
- 2.2 pre-judgement interest awarded against **you** on that part of any judgement covered under this policy but where **we** offer to pay the **limit of indemnity** in settlement of a claim or suit, **we** will not pay any pre-judgement interest imposed or earned after the date of such offer;
- 2.3 all interest earned on that part of any judgement within the **limit of indemnity** after entry of the judgement and before **we** have paid, offered to pay, or deposited in court that part of any judgement that is within the applicable **limit of indemnity**;
- 2.4 the cost of attendance in court as a witness at **our** request, payable at the following rates per day on which attendance is required:
 - a) any of **your** directors or partners GBP500
 - b) any other **employee** GBP250
- 2.5 costs and expenses of legal representation at any coroner's inquest or inquiry in respect of any death which may be the subject of indemnity under this policy.

3 **Denial of access**

Denial of access means nuisance, trespass or interference with any easement, right of air, light, water or way.

4 **Excess**

Excess means the first amount that **you** must pay of each and every occurrence.

SECTION B PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

5 **Inefficacy**

Inefficacy means the failure of any **product** to perform the function for which it was manufactured, supplied, leased, installed, commissioned, erected, altered, tested, repaired, treated, or serviced by **you** or on **your** behalf in the normal course of **your business**.

6 **Legionella**

Legionella means any discharge release or escape of legionella or other airborne pathogens from water tanks, water systems, air-conditioning plants, cooling towers and the like.

7 **Liability**

Liability means legal liability to pay damages including interest and claimant costs recoverable from **you** in respect of or as a result of:

- 7.1 accidental **bodily injury** to any person other than an **employee**
- 7.2 accidental **damage** caused by **you** or **your employees** or sub-contractors to property other than property belonging to **you** or in **your** custody, possession or control
- 7.3 accidental **damage** or **bodily injury** caused by deliberate acts of **your employees** or sub-contractors
- 7.4 accidental **personal injury**;
- 7.5 accidental **advertising injury**
- 7.6 accidental **denial of access**

occurring during the **period of insurance** in connection with any occurrence which is or may be the subject of indemnity under this Section.

8 **Limit of Indemnity**

Limit of indemnity means the limit of indemnity as stated in the schedule:

- 8.1 in total during any one period of insurance in respect of claims arising from **products** (whether or not involving pollution or contamination);
- 8.2 in total during any one **period of insurance** in respect of other claims arising from pollution or contamination of buildings or other structures or of water or land or the atmosphere and all **damage** or injury, directly or indirectly caused by such pollution or contamination;
- 8.3 any one occurrence (irrespective of the number of claims caused as a result) for all other claims.

The indemnity provided by the Standard Clauses or any other amendment to this Section shall not operate so as to increase the maximum payable above the **limit of indemnity** stated in the schedule plus additional **costs and expenses**.

9 **Mainframe computer suite**

Mainframe computer suite means computer mainframe processors and associated servers, power generators, data storage systems and the like, any or all of which are within a building, outbuilding, room or area, whether or not purpose built with air conditioning, fire extinguishing systems and restricted access, where **damage** to or interference with any part thereof can result in interruption to the operation of any related computer network.

SECTION B PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

10 **Personal injury**

Personal injury means harm other than **advertising injury** or **bodily injury** arising out of one or more of the following offences committed in the course of the **business**:

- 10.1 false arrest;
- 10.2 detention or imprisonment;
- 10.3 malicious prosecution;
- 10.4 wrongful entry into, or eviction of a person from a room, dwelling or premises that the person occupies;
- 10.5 invasion of right of privacy;
- 10.6 libel, slander or defamation or mis-statement

11 **Products**

Products means goods including containers and packaging sold, supplied, leased, installed, commissioned, erected, altered, tested, repaired, treated or serviced by **you** including any advice, instruction or design relating to such goods.

12 **Preventative costs**

Preventative costs means sums that **you** are liable to pay for prevention of imminent threat of environmental damage as provided for in any **United Kingdom** law implementing The Environmental Damage (Prevention and Remediation) Regulations 2009 or any superseding or replacing legislation or regulation.

13 **Territorial limits**

Territorial limits means world-wide excluding **North America**.

SECTION B PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

COVER

We will indemnify **you** up to the **limit of indemnity** against **liability** incurred by **you** during the **period of insurance** arising out of and in the course of **business** within the **territorial limits**.

ADDITIONAL COSTS AND EXPENSES

Following any event which is or may be the subject of indemnity under this Section, **we** agree to indemnify **you** for **costs and expenses** which are payable in addition to the **limit of indemnity**.

STANDARD CLAUSES

The indemnity provided by this Section includes **liability** under the following clauses provided that where a party other than **you** is indemnified that party will, as though he were **you** observe, fulfil and be subject to the terms, exclusions and conditions insofar as they can apply.

1 Contractual liability

Liability assumed by **you** under any contract or agreement entered into by **you** in the course of the **business** provided that **we** are not liable for:

- 1.1 liquidated damages, fines or penalties
- 1.2 **damage** to **your** contract works
- 1.3 **damage** to materials, plant or equipment used in the performance of the contract by **you**, **your** principals or **your** sub-contractors.

We will waive **our** rights of subrogation against a specified party, to the extent that may be required by the contract or agreement providing **you** have taken all reasonable steps to avoid assuming **liability** imposed by **your** customers' contract conditions.

2 Indemnity to principal

Where required by any contract or agreement entered into by **you** with any other party (henceforth referred to as the „principal“) this Section will indemnify the principal against any claims made against them for which **you** are legally liable and which fall within the terms and conditions of this Section, provided that **you** have arranged with the principal for the conduct and control of all claims to be vested in **us**.

3 Leased premises

Your liability for **damage** to premises including landlord's contents, fixtures and fittings not owned by **you** but leased or rented by **you** in the course of the **business** excluding:

- 3.1 **liability** for which indemnity is provided to **you** under any other insurance or in any other way

SECTION B PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

- 3.2 the first GBP100 of any amount otherwise payable in respect of each claim, other than as the result of fire or explosion
- 3.3 **liability** which attaches by way of any contract or agreement that would not have attached in the absence of that contract or agreement.

4 Motor contingent liability

Exclusion 2.1.3. shall not apply to:

- 4.1 **your liability** arising from or caused by the use in connection with the **business**, of any mobile crane or excavator or other item of mobile plant as a tool of trade excluding liability for items which require separate insurance to comply with the Road Traffic Acts;
- 4.2 **your liability** arising from or caused by the use, in connection with the **business**, of any motor vehicle not belonging to **you** or provided by **you**, provided cover granted by this Standard Clause shall not apply to liability:
 - 4.2.1 for any **damage** to the motor vehicle or goods carried in or on the motor vehicle;
 - 4.2.2 more specifically insured under another policy;
 - 4.2.3 arising whilst the motor vehicle is being driven by **you**;
 - 4.2.4 arising whilst the motor vehicle is being driven by any person who to **your** knowledge does not hold a licence to drive the motor vehicle unless such person has held and is not disqualified from holding or obtaining such a licence;
 - 4.2.5 arising whilst the motor vehicle is being used elsewhere than in the **United Kingdom**.

5 Watercraft

Notwithstanding Exclusion 2.1.1. this Section includes **your liability** arising from or caused by the use, in the course of **business**, of

- 5.1 motor barges not exceeding 75 ton capacity on inland waterways,
- 5.2 motor launches not exceeding 15 metres in length and only when operated on inland waterways,
- 5.3 any watercraft not belonging to or chartered by **you** but used by **you** for **business** entertainment provided that
 - 5.3.1 such watercraft is primarily owned and operated as a river cruise vessel,
 - 5.3.2 such watercraft is insured by the owner or charterer under a marine insurance policy,
 - 5.3.3 we shall not indemnify **you** in respect of **liability** which attaches by way of any contract or agreement that would not have attached in the absence of such contract or agreement.

SECTION B PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

6 Employees' liability overseas

Your liability and if **you** so require such **liability** of any **employee**, their spouse and their children whilst abroad on **business** but excluding **liability** for which indemnity is provided under any other insurance or in any other way.

7 Personal effects

Your liability for **damage** to directors', **employees'** or visitors' personal effects including vehicles and their contents excluding **liability** for which indemnity is provided under any other insurance or in any other way.

8 Indemnity to other parties

We will if **you** so require also indemnify as if they were the **insured**

8.1 any of **your** directors, partners, **employees** or former **employees**

8.2 any of **your** officers, members, committee and/or **employee**, paid and voluntary helpers of

8.2.1 canteen and welfare organisations

8.2.2 nursery, crèche or child care facilities

8.2.3 sports and social organisations

in their respective capacities as such

8.3 any of **your** officers and members of

8.3.1 security, rescue, first aid, fire and ambulance services

8.3.2 medical organisation other than any doctor, surgeon or dentist while working in a professional capacity

in their respective capacities as such

8.4 any of **your** directors or partners or executives in respect of private work undertaken by any of **your employees** for directors, partners or executives

8.5 any principal or any other party to the extent required by contract,

8.6 any officers or trustees of **your** pension scheme(s),

8.7 any other party not described above for whom **you** wish to accept responsibility to insure or to provide an indemnity,

but **we** will not provide an indemnity

8.8 unless **we** have the sole conduct and control of any claim,

8.9 where the other person is indemnified under any other insurance or in any other way.

SECTION B PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

Provided that where **we** agree to indemnify more than one party then nothing in this Section shall increase **our liability** to pay any amount in respect of one claim or series of claims arising out of any one cause in excess of the amount stated as the **limit of indemnity** plus additional **costs and expenses**.

9 Employees' personal liability

If required by **you** this Section will indemnify any **employee** against **liability** arising from or caused by the engagement in temporary service, in a private capacity, of any fellow **employee**, excluding **liability** for which indemnity is provided under any other insurance or in any other way.

10 Cross liabilities

Where the **insured** comprises more than one party this Section will operate as though a separate policy had been issued to each such party provided that **our total liability** does not exceed the **limit of indemnity** plus additional **costs and expenses**.

For the purpose of this clause, members of **your** sports and social clubs and similar organisations, as specified in Clause 8, engaged in activities described in the definition of the **business** will each be considered a separate insured party.

11 Statutory defence costs including Health and Safety at Work, etc. Act 1974

We will, with **our** prior consent, which consent will not be unreasonably withheld, indemnify **you** and if required, any **employee** in respect of legal **costs and expenses** incurred defending:

- 11.1 any alleged breach of statutory duty (including any prosecution brought under sections 2 to 8 of the Health and Safety at Work, etc. Act 1974, Health and Safety at Work (Northern Ireland) Order 1978 or similar legislation in the Isle of Man or the Channel Islands) or criminal proceedings brought; and/or
- 11.2 allegations (whether under common law or statute) of manslaughter, corporate manslaughter or corporate homicide made against **you** or any **employee**.

provided that the prosecution or proceedings relate to:

- 11.3 an offence alleged to have been committed during the **period of insurance** and in the course of the **business**;
- 11.4 **bodily injury** to, or potential **bodily injury** to, persons other than **employees**.

and **we** will also pay to **you**:

- 11.5 **costs and expenses** of appeal including appeal against improvement and prohibition notices incurred with **our** written consent, which consent will not be unreasonably withheld;
- 11.6 prosecution costs awarded against **you**;

The indemnity by this clause excludes and does not cover:

SECTION B PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

- 11.7 circumstances where **you** or any **employee** are entitled to indemnity by any other legal expenses, motor or employment protection policy;
- 11.8 in respect of allegations of manslaughter, corporate manslaughter or corporate homicide, any amount in excess of a **limit of indemnity** of GBP1,000,000 any one claim or series of claims arising out of the same prosecution or proceedings.

For the avoidance of doubt the undernoted statutes, whilst not exhaustive, are included within the statutes or regulations contemplated for which defence costs are insured by this clause:

- a) Health and Safety at Work, etc. Act 1974, but only sections 2 to 8;
- b) Health and Safety at Work (Northern Ireland) Order 1978;
- c) The Trade Description Act 1968;
- d) Part II of the Consumer Protection Act 1987;
- e) Part II of the Food Safety Act 1990.

12 Work upon third party property

The words „or in **your** custody, possession or control“ in paragraph 7.2 of the **liability** definition will not apply in respect of premises and their contents temporarily in **your** custody, possession or control for the purpose of undertaking work, provided that this clause does not apply in respect of:

- 12.1 premises and their contents belonging to **you** or occupied by **you** as tenants;
- 12.2 liability arising from or caused by **damage** to that part of the premises or contents upon which **you** are or have been working, resulting directly from the work process other than **damage** in respect of the installation, modification, repair or servicing of an alarm or fire extinguishing system and/or any other security devices or whilst temporarily securing premises following a theft or attempted theft.

13 Defective Premises Act 1972

Liability incurred under Section 3 of the Defective Premises Act 1972 or Section 3 of the Defective Premises Measure (Northern Ireland) 1974 or any amendment thereto in connection with premises that have been disposed of by **you**, except that **we** will not be liable to provide an indemnity for the cost of remedying any defect or alleged defect in such premises.

14 Legionella

Notwithstanding exclusion 18 of this section, **we** will indemnify **you** for all sums (including claimants' costs and expenses) which **you** become legally liable to pay in respect of any claims first made against **you** during the **period of insurance** resulting from **legionella** causing **bodily injury, personal injury, damage** or **denial of access** except that **we** will not be liable for:

- 14.1 any amount in excess of the sub-**limit of indemnity** of GBP1,000,000 any one claim and in the aggregate;
- 14.2 any claims which arise out of circumstances notified to previous insurers or known to **you** at the inception of this **policy**;
- 14.3 any claims for **bodily injury** or **personal injury** arising from employment;
- 14.4 any claims made against **you** for **legionella** where the insured event giving rise to the claim happened prior to the inception date of this Section of the policy.

SECTION B PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

15 Conflict of interest

In the event of a conflict of interest between **you** and any **employee** indemnified by this Section separate representation will be arranged for each party.

16 Data Protection Act 1998

We will pay:

- 16.1 compensation including legal **costs and expenses** that **you**, or at **your** request **your employee** become responsible to pay at law following **damage** or distress and arising out of a claim under section 13 of Part II of the Data Protection Act 1998; or
- 16.2 legal **costs and expenses** in relation to a prosecution brought under section 21 of Part III of the Act concerning a claim by any person except an **employee**.

But for this extension to apply:

- 16.3 **you** must have registered in accordance with the Act; and
- 16.4 a claim must be first made against **you** or **your employee** during the **period of insurance**.

EXCEPTIONS

We will not pay:

- 16.5 fines or penalties of any kind;
- 16.6 for the replacing, reinstating, rectifying or erasing of any personal data;
- 16.7 compensation resulting from a deliberate or intentional act or in respect of an omission by **you** or **your employee**, the effect of which will knowingly result in a compensation claim under the Act;
- 16.8 claims which arise out of circumstances notified to previous insurers or known to **you** at inception of this Section;
- 16.9 the first 10 per cent of the claim or GBP500 whichever is the greater;
- 16.10 compensation or **costs and expenses** recoverable from any other insurance or in any other way.

The cover and exceptions will apply to compensation and legal **costs and expenses** recoverable under similar clauses in the Data Protection Act 1984.

17 Sudden and accidental pollution

Your liability in respect of:

- 17.1 pollution, contamination of buildings or other structures or of water, land or the atmosphere;

and

- 17.2 **damage** or injury directly or indirectly caused by such pollution or contamination;

caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the **period of insurance**.

SECTION B PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

All pollution or contamination which arises out of one incident will be deemed to be one occurrence and to have occurred at the time the incident takes place.

18 Environmental statutory liability

We will indemnify **you** for all sums, including statutory debts, that **you** are legally liable to pay for remediation or **preventative costs** in respect of environmental damage where such liability arises under an environmental protection directive, statute or statutory instrument, provided that:

- 18.1 liability arises from pollution occurring during the course of **business** and is caused by a sudden, identifiable, unintended and unexpected accident that takes place in its entirety at a specific moment in time and place during the **period of insurance**;
- 18.2 the insurance by this extension excludes and does not cover any sum incurred:
 - 18.2.1 in respect of **preventative costs** for prevention of imminent threat of environmental damage to **your** land, premises, watercourse or body of water whether owned, leased, hired, tenanted or otherwise in **your** care, custody or control; or
 - 18.2.2 in respect of primary, complementary or compensatory remediation for damage to **your** land, premises, watercourse or body of water whether owned, leased, hired, tenanted or otherwise in **your** care, custody or control; or
 - 18.2.3 in respect of the removal of any significant risk of an adverse effect on human health on **your** land, premises, watercourse or body of water whether owned, leased, hired, tenanted or otherwise in **your** care, custody or control; or
 - 18.2.4 in achieving any improvement or alteration in the condition of the land or atmosphere or any watercourse or body of water beyond that required under any relevant and applicable law or statutory enactment at the time the remediation commences; or
 - 18.2.5 in respect of **preventative costs** for prevention of imminent threat of environmental damage where such sums are incurred without there being any actual occurrence of pollution, **damage** or harm to human health; or
 - 18.2.6 in excess of the sub-**limit of indemnity** of GBP1,000,000 for any one occurrence which sum shall be the maximum that **we** will pay, inclusive of all **costs and expenses**, in the aggregate during any one **period of insurance**.

19 Criminal acts

We will indemnify **you** for **your** liability to pay damages including interest and claimants costs recoverable from **you** as a result of **bodily injury** or **damage** in respect of criminal acts of arson, theft, malicious damage, fraud, dishonesty or embezzlement by **your employees** provided that the events insured by this clause:

- 19.1 were committed during the **period of insurance**; and
- 19.2 arose in connection with a contract with a customer.

Further Claims Condition 1 shall not apply in respect of your liability for fraud in respect of cover provided by this Standard Clause 19.

SECTION B PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

20 Financial loss (Including products)

Your liability for financial loss incurred by others provided that:

- 20.1 a claim is first made against **you** during the **period of insurance**;
- 20.2 such **liability** arises from or is caused by:
 - 20.2.1 accidental:
 - 20.2.1.1 escape or discharge of any substance or gas from any premises owned or occupied by **you**;
 - 20.2.1.2 stoppage or interference with pedestrian, rail, air, vehicular or waterborne traffic;
 - 20.2.1.3 obstruction, loss of amenities, trespass, nuisance or similar cause;
 - 20.2.2 such other occurrence that is not a deliberate or intentional act by or omission of any party entitled to indemnity by this policy the effect of which will knowingly result in financial loss;
- 20.3 this cover shall not apply in respect of:
 - 20.3.1 financial loss incurred in respect of or in consequence of **bodily injury** or **damage** to property;
 - 20.3.2 costs incurred in or in consequence of recalling, replacing or making good products or workmanship performed by **you** or on **your** behalf;
 - 20.3.3 fines, penalties or liquidated damages;
 - 20.3.4 **liability** which attaches by way of any contract or agreement that would not have been attached in the absence of such contract or agreement;
 - 20.3.5 **liability** resulting from conspiracy, conversion, deceit, inducement of breach of contract, injurious falsehood or infringement of patent, copyright, trademark or name;
 - 20.3.6 claims brought in **North America** arising out of any breach or alleged breach of anti-trust laws;
 - 20.3.7 claims which arise out of circumstances notified to previous insurers or known to **you** at inception of this Section of the policy;
 - 20.3.8 **liability** arising from any advice, instruction or design:
 - 20.3.8.1 given for a fee by **you** or on **your** behalf unless relating to any **products** for which indemnity is provided by this policy;
 - 20.3.8.2 given without a fee and for which indemnity is provided by other insurance;
 - 20.3.9 any amount exceeding GBP500,000 for all claims in total during one **period of insurance**,
- 20.4 in respect of each and every claim under this extension **we** shall not be liable for ten per cent of the cost of the claim or the first GBP500 whichever is the greater.

SECTION B PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

21 Pay limit of indemnity

We may at any time pay **you** the amount of the **limit of indemnity** (less any sum already paid) or any lower amount for which any claims can be settled. **We** will then cease to conduct and control the negotiations, Actions or Proceedings and have no further liability in respect of such claims except for **costs and expenses** incurred prior to the date of such payment.

22 Products and workmanship

Notwithstanding Exclusion 3, this Section extends to include **your** legal liability for costs of rectifying defective work or defective **products** where such work or **products** have caused:

22.1 **bodily injury** to any person other than an **employee**; or

22.2 **damage** to property other than **products** which are the subject of the same contract.

23 Customers goods removed

This Section includes **your** legal liability for accidental **damage** to customers goods but only whilst removed from customers premises and in **your** custody possession or control.

24 Housing Grants, Construction and Regeneration Act, 1996

This Section includes **your liability** and if **you** require such **liability** of another party which **you** may incur in respect of any claim(s) first made against **you** during the **period of insurance** for claimants' costs and expenses as a result of any decision by an adjudicator appointed to resolve a dispute in accordance with the Scheme for Construction Contracts as contained in the Housing Grants Construction and Regeneration Act 1996 or an adjudication clause or rules contained in a contract.

It is agreed as a condition precedent to **our** liability under this clause that **you** undertake:

24.1 to immediately notify **us** within 2 business days of receipt of any "notice of intention to adjudicate" or of the service by **you** of any "notice of intention to adjudicate" in circumstances which will lead to or are likely to lead to a claim against **you** being dealt with as part of the adjudication;

24.2 to promptly supply **us** with all details relating to any reference to adjudication, including copies of all documentation made available to **you**, or subsequently by **you** to the adjudicator;

24.3 to allow **us** to appoint advisers and to have conduct of the adjudication as they deem appropriate and to co-operate with **us** in the conduct of the adjudication. Any appointments made by **us** shall be at **our** expense but subject always to the application of the uninsured excess;

24.4 to meet any request, direction or timetable of the adjudicator;

24.5 to satisfy **us** that any liability incurred under an adjudicator's decision for which indemnity is being sought, is as a direct result of negligence by **you** in the conduct of **your** professional activities;

24.6 not to disclose to anyone the existence of this policy without **our** consent;

24.7 to institute legal proceedings or arbitration in accordance with the terms of the original contract to challenge or reopen or stay the enforcement of such adjudicator's decision if

SECTION B PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

reasonably requested to do so by **us** and to allow **us** to appoint appropriate advisers as they may deem necessary to have conduct of such proceedings if appropriate. Any such steps made by **us** shall be at **our** expense, but subject always to the application of the uninsured excess;

24.8 not to agree to accept the decision of the adjudicator as finally determining the dispute without **our** prior consent in writing;

24.9 to ensure that the adjudication provisions in the contract shall:

24.9.1 provide that the adjudicator must be independent of the parties to the dispute;

24.9.2 not allow for the adjudicator's decision to finally determine the dispute;

24.9.3 not allow the adjudicator to disregard the legal entitlements of the parties in order to reach a decision based on commercial considerations;

24.10 to ensure that the contract must not place any conditions upon the timing of commencement of legal or arbitration proceedings (for the sake of clarity this does not apply to adjudication proceedings).

25 Asbestos accidental discovery

Notwithstanding Exclusion 13, **we** agree to indemnify **you** under the terms of this Section in respect of liability arising following the accidental discovery of asbestos and/or asbestos containing materials on or after the retroactive date but only in respect of claims first made against **you** and notified to **us** during the **period of insurance** in accordance with the terms of the policy.

Provided always that:

25.1 no indemnity is provided in respect of any subsequent activities related or connected to dealing with the asbestos and/or asbestos containing materials once discovered, which shall be carried out by qualified licensed sub-contractors on terms which indemnify **you** for liability arising out of such work;

25.2 **we** agree that any circumstance(s) notified to **us** during the **period of insurance** which subsequently gives rise to a claim after expiry of the **period of insurance** shall be deemed to be a claim first made during the **period of insurance**;

25.3 **we** will not indemnify **you** for any claims arising from the existence of or exposure to asbestos and/or asbestos containing materials where **you** were aware of the circumstance or event which gave rise to the claim before the inception date of this policy;

25.4 **we** will not indemnify **you** for any claims in respect of the diminution in the value of property or loss of or potential loss of rental income or any other consequential losses (including business interruption) howsoever arising;

25.5 **our** liability to pay damages, including claimant costs recoverable from **you** and **costs and expenses** shall not exceed the sum of GBP1,000,000 any one claim which sum shall be the maximum **we** will pay in the aggregate during any one **period of insurance**;

25.6 the **excess** applicable to this clause shall be GBP5,000 each and every claimant;

25.7 the retroactive date in respect of this clause 25 is the inception date of this policy unless endorsed otherwise

SECTION B PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

EXCLUSIONS

1 Excess

In the absence of any other express amount specified in any clause to this policy or **your** schedule **we** will not pay the first amount as stated below in respect of each and every occurrence (irrespective of the number of claims occasioned thereby) arising from **damage** to property:

1.1	Work in or on mainframe computer suites	GBP2,500
1.2	Any work involving excavation or underground cabling	GBP2,500
1.3	Any other work	GBP 250

Where an express amount, being the first amount payable by **you**, is stated in any clause to this policy or **your** schedule then this amount will replace the **excess** above in respect of each and every occurrence (irrespective of the number of claims occasioned thereby) arising from **damage** to property.

2 Vehicles and vessels

This Section excludes liability

2.1 arising from or caused by the ownership, possession or use by **you**, or on **your** behalf of:

2.1.1 any mechanically propelled water-borne vessel or hovercraft or any aircraft or airborne device

2.1.2 any mechanically propelled vehicle outside the **United Kingdom**

2.1.3 any mechanically propelled vehicle in circumstances where a Certificate of Insurance is required to meet the requirements of the Road Traffic Acts or any other compulsory Road Traffic legislation

2.2 for which indemnity is provided under any other insurance in respect of any vehicle, vessel, hovercraft, aircraft or airborne device.

3 Products and workmanship

This Section excludes liability for **damage** to and costs incurred as a result of recalling, replacing or making good **products** or workmanship performed by **you** or on **your** behalf other than **your liability** for **damage** to property caused by workmanship or **products** which are the subject of a separate contract.

4 Advice instructions and design

This Section excludes liability arising from any advice, instruction or design:

4.1 given for a fee by **you** or on **your** behalf, unless relating to any **products** for which indemnity is provided by this Section;

4.2 given without a fee and for which indemnity is provided by other insurance;

except that this exclusion shall not apply to liability for **bodily injury** arising from any such advice, instruction or design.

SECTION B PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

5 Building work

This Section excludes liability arising from or in connection with building work other than non-structural refurbishment, making good, redecoration and the like.

6 Pollution

This Section excludes liability in respect of:

6.1 pollution or contamination of buildings or other structures or of water or of land or the atmosphere

and

6.2 **damage** or injury directly or indirectly caused by such pollution or contamination

other than **liability** for which an indemnity is provided by Standard Clause 17 Sudden and Accidental Pollution or Standard Clause 18 Environmental Statutory Liability.

7 North America

This Section excludes liability

7.1 for claims against any party brought in or under or in consequence of any Judgement or Order in or under the Law of **North America**

7.2 arising from:

7.2.1 **products** sold or supplied

7.2.2 activities or operations undertaken

in **North America**.

But this exclusion will not apply in respect of non-manual visits by **your employees** resident outside **North America** who are temporarily visiting **North America** in the course of their employment.

8 Use of heat

This Section excludes liability arising from or caused by the use or application of heat away from **your premises**:

8.1 when using oxyacetylene, electric arc and similar welding and cutting equipment, blow lamps, torches and the like.

8.2 when using or applying heat in any other way unless **you** take all reasonable precautions to prevent **damage**.

SECTION B PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

9 Sprinkler tests

This Section excludes liability arising from work involving the filling or refilling of part of or the whole of a sprinkler system following commissioning, testing, modifying or adding to a system and its associated valves provided that this exclusion shall not apply

9.1 where such work,

9.1.1 is carried out in empty or unoccupied buildings,

9.1.2 involves a sprinkler system with eight (8) or fewer sprinkler heads,

9.2 to new or modified sprinkler pipe work and associated valves on wet systems that are initially pneumatically tested at a pressure of one (1) bar for a period of fifteen (15) minutes without significant loss of pressure before any water is introduced or re-introduced to any part of the sprinkler system.

10 Sub-contractors insurance check

This Section excludes liability arising from or caused by work undertaken on **your** behalf in the course of the **business** by sub-contractors other than sub-contractors acting as **your employee** unless **you** have obtained evidence that sub-contractors have effected Public Liability Insurance that:

10.1 covers liability arising from or caused by the work for the full duration of the work to be undertaken on **your** behalf by the sub-contractor;

10.2 is subject to a limit of indemnity of not less than GBP1,000,000;

10.3 includes an indemnity to principals clause;

10.4 is revalidated every twelve (12) months throughout the duration of their contract with **you**;

10.5 includes Products and Inefficacy Liability Insurance where security or fire alarm installation, maintenance or repair work is undertaken.

11 Employees working outside the United Kingdom

This Section excludes liability directly or indirectly arising from or caused by employment undertaken outside the **United Kingdom** provided that this Exclusion shall not apply

11.1 where the **employee** is resident within the **United Kingdom** and intends to return to his country of residence following completion of the temporary overseas employment, and

11.2 where any single overseas work assignment is not intended or planned to exceed twelve (12) months duration

provided always that **we** will not indemnify **you** or any other party in respect of liability for payment under any Workman's Compensation scheme or similar social workplace compensation legislation.

SECTION B PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

12 Operations domiciled outside the United Kingdom

This Section excludes liability arising from, caused by or in connection with *your*

- 12.1 subsidiary companies
- 12.2 branch offices
- 12.3 representatives with power of attorney

domiciled outside of the *United Kingdom*.

13 Asbestos

This Section excludes liability for any loss, cost or expense directly or indirectly arising out of, resulting as a consequence of, or related to the manufacture of, mining of, processing of, use of, installation of, storage of, removal of, disposal of, distribution of, inspection of or testing of or exposure to asbestos, asbestos fibres, asbestos dust or asbestos containing materials but this exclusion will not apply to liability:

- 19.1 arising from or caused by exposure to asbestos or asbestos containing materials during work that does not require a licence under the Control of Asbestos Regulations 2006; or
- 19.2 as described by Standard Clause 25.

14 E-Commerce

This Section excludes liability

- 14.1 arising from loss, alteration or impairment of, or damage to, information and/or data in electronic form
- 14.2 arising from malicious acts of any person carried out by electronic means
- 14.3 for defamation or harassment carried out by electronic means

but this Exclusion shall not apply in respect of *liability* for any:

- a) ensuing accidental *bodily injury* (save for mental injury or mental disease); or
- b) ensuing accidental *damage*; or
- c) loss, alteration or impairment of, or damage to, information and/or data in electronic form arising solely from accidental extraneous physical *damage* to *electronic business equipment and computers*.

15 War

This Section excludes liability for all actual or alleged losses, liabilities, damages, injuries, defence costs or expense(s) directly or indirectly arising out of, contributed to or by, caused by, resulting from or in connection with *war* regardless of any other cause or event contributing concurrently or in any other sequence of the loss.

SECTION B PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

This exclusion also excludes from coverage all actual or alleged losses, liabilities, damages, injuries, defence costs, costs or expenses directly or indirectly arising out of, contributed to or by, caused by, resulting from, or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to **war**.

If **we** allege that by reason of this Exclusion any actual or alleged losses, liabilities, damages, injuries, defence costs, costs or expenses are not covered by this section the burden of proving the contrary shall be upon **you**.

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

16 Nuclear risks

This Section excludes liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:

- 16.1 ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- 16.2 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

17 Hazardous activities

This Section excludes liability directly or indirectly caused by or arising from work:

- 17.1 at height where the drop exceeds sixteen (16) metres,
- 17.2 at a depth which exceeds three (3) metres below the ground
- 17.3 undertaken by **you** or anyone else connected with the **business** on or at any premises or structures used in connection with the production, processing, transportation or storage of gas, oil, petrol or chemicals (other than retail garages, shops or offices)
- 17.4 undertaken by **you** or anyone else connected with the **business**
 - 17.4.1 **offshore**
 - 17.4.2 on site located **airside**
 - 17.4.3 on or alongside railway tracks
 - 17.4.4 at any nuclear installation or establishment.

18 Legionella

This Section excludes liability arising from **bodily injury, personal injury, damage or denial of access** arising out of, alleging or attributable to the existence of **legionella** except as stated in Standard Clause 14 of this section.

SECTION B PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

19 Libel, slander or defamation

This Section excludes liability arising from or caused by the publication or utterance by **you** or on **your** behalf of a libel, slander, defamation or mis-statement where:

- 19.1 claims arise out of circumstances notified to previous insurers or known to **you** at inception of this Section of the policy;
- 19.2 publications or utterances are made at the discretion of any party entitled to indemnity by this policy with knowledge of the libellous, slanderous or mis-statement effect thereof;
- 19.3 claims are brought outside the **United Kingdom**.

Further, in respect of each and every claim **we** shall not be liable for ten (10) per cent of the cost of the claim.

OPTIONAL ENDORSEMENTS to Section B

The following clauses only apply where shown under optional endorsements on **your** schedule.

1 Use of heat extension

Exclusion 8.1 of this Section B is deleted subject to **you** taking all reasonable precautions to prevent **damage**.

Where the use of such equipment is subcontracted **you** shall require the subcontractor to also take all reasonable precautions.

The term "reasonable precautions" in relation to the use of such equipment shall include but not be limited to the following:

- 1.1 Before Starting Work
 - 1.1.1 a person shall be made responsible for fire safety and for ensuring that reasonable precautions are taken,
 - 1.1.2 all persons shall be made aware of the location of the site's fire alarms and fire fighting equipment,
 - 1.1.3 the responsible person shall examine all property within a radius of six (6) metres from where the heat is to be applied and where possible remove all combustible materials or otherwise cover and protect by overlapping sheets or screens of non-combustible material.
- 1.2 During the Process of Work
 - 1.2.1 a person shall work alongside the operator of the equipment to look out for an outbreak of fire and there shall be available for immediate use

SECTION B

PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

- 1.2.1.1 at least two buckets of dry sand or two fully charged fire extinguishers; or
- 1.2.1.2 if available and appropriate approval has been obtained, a hose connected to the nearest hydrant with water turned on and controllable at the nozzle of the hose. If water is not available or unsuitable then two fully charged fire extinguishers must be available,
- 1.2.2 the lighting of equipment shall be in accordance with manufacturers instructions and no piece of lighted equipment shall be left unattended,
- 1.2.3 gas cylinders not required for immediate use shall be kept at least six metres from where the heat is being applied.
- 1.3 After ceasing work a continuous examination for thirty (30) minutes shall be made of the area within a radius of six (6) metres from where the heat has been applied to ensure that there is no risk of fire.
- 1.4 In respect of each and every occurrence giving rise to or causing **damage** to property (irrespective of the number of claims occasioned thereby) **we** shall not be liable to pay the first GBP500.

2 North America (products) extension

Notwithstanding exclusion 7 of this Section, the **territorial limits** of Section B of this policy shall include **North America** provided that:

- 2.1 **we** shall not indemnify any party incorporated, domiciled, resident or transacting **business** in **North America**
- 2.2 the **limit of indemnity** in respect of this extension is GBP1,000,000 including any costs and expenses recoverable hereunder
- 2.3 this extension shall not apply in respect of:
 - 2.3.1 **liability** which attaches by way of any contract or agreement that would not have attached in the absence of such contract or agreement
 - 2.3.2 fines, penalties, punitive, vindictive or exemplary damages
 - 2.3.3 **bodily injury** or **damage** to or loss of use of property or financial economic or consequential loss directly or indirectly caused by pollution or contamination including the cost of remaking, nullifying and cleaning up such pollution or contaminating substances
- 2.4 this extension shall not apply in respect of visits to **North America** involving any manual or supervisory activities
- 2.5 in respect of each and every occurrence giving rise to or causing **damage** to property (irrespective of the number of claims occasioned thereby) **we** shall not be liable to pay the first GBP5,000 where the action for damages is brought in **North America**.

SECTION B PUBLIC AND PRODUCTS (including Inefficacy) LIABILITY

3 Loss of gas in fixed fire extinguishers

The words “in ***your*** custody, possession or control” in paragraph 4.2 of the definition of ***liability*** shall not apply in respect of sudden, identifiable, unintended and unexpected discharge of gas in fixed fire extinguishers, provided that, in respect of this extension:

- 3.1 the ***limit of indemnity*** is GBP10,000 in respect of any one occurrence;
- 3.2 ***we*** shall not be liable for the first GBP250 of any amount payable.

SECTION C PROPERTY ALL RISKS

DEFINITIONS to Section C

1 Bodily injury

Solely for the purpose of Standard Clause 27, bodily injury means bodily injury whether fatal or otherwise caused by:

- 1.1 accidental violent and external means
- 1.2 accidental drowning
- 1.3 accidental poisoning
- 1.4 accidental gassing
- 1.5 exposure

2 Business hours

Business hours means **you** normal daily working hours but extended to twenty-four (24) hours each day during which **you** or **your employees** are assigned call out duty and/or attendance at an emergency call out other than during normal office hours.

3 Excess

Excess means the first amount that **you** must pay of each and every claim.

4 Official

Official means **you** or any of **your** partners, directors or **employees** between the ages of 16 and 70.

5 Permanent total disablement

Permanent total disablement means the **official** being totally disabled and prevented from attending to the whole of his **business** or occupation as a result of **bodily injury** (this does not apply to loss of limbs or sight as otherwise defined in Section C under Scale of Benefits) with proof satisfactory to **us** that such disablement is permanent.

6 Temporary total disablement

Temporary total disablement means the **Official** being totally disabled and prevented from attending to the whole of his **business** or occupation as a result of **bodily injury** (not being loss of limbs or sight as otherwise defined in Section C under Scale of Benefits) but not **Permanent Total Disablement** as defined above.

COVER

We will indemnify **you** in accordance with the terms of Standard Clause 9 - Basis of settlement for **damage** to the property insured by any event not excluded, occurring at the **premises**. **Our** maximum liability shall not exceed the sum insured stated in the schedule.

SECTION C PROPERTY ALL RISKS

The following Conditions must be complied with before **we** can confirm that **we** will deal with any claim under this Section. Breach of these conditions will entitle **us** to refuse to deal with the relevant claim.

1 **Security**

- 1.1 the security protections as stated in the schedule (or alternative protections agreed by **us**) are fitted at the inception of this Section of the policy
- 1.2 all security protections at the **premises** are installed correctly and operating effectively whenever the **premises** is unoccupied or closed for **business**
- 1.3 keys to door locks, safes and strong rooms and details of lock combinations are removed from the **premises** whenever they are unoccupied or closed for **business**
- 1.4 **you** will advise **us** in the event of the Police or any alarm company or monitoring station advising that the alarm signals from the **premises** will not be answered or have a reduced level of response.

2 **Storage**

Stock in any basement or cellar is raised at least 15cms above the floor.

3 **Waste**

- 3.1 all waste materials are swept up daily and kept in a proprietary waste container
- 3.2 all oily and greasy cleaning waste and wipes are kept in metal receptacles with metal lids and removed from the **buildings** at least once a week.

STANDARD CLAUSES

1 **Changing locks**

This insurance includes the reasonable cost of replacing door locks, safe or strong room locks at the **premises** following the loss of keys up to a limit of GBP2,000 any one claim:

- 1.1 by theft from the **premises**, **your** home or **your** authorised **employees'** homes
- 1.2 by theft following a hold-up whilst such keys are in **your** personal custody or that of any authorised **employee**.

2 **Temporary removal**

Machinery and **electronic business equipment and computers** are covered whilst temporarily removed for cleaning, renovation, repair or similar purpose anywhere in the European Economic Area, provided that **our** maximum liability shall not exceed fifteen (15) per cent of the **contents** sum insured but excluding:

- 2.1 motor vehicles and motor chassis licensed for normal road use
- 2.2 property more specifically insured.

3 Theft damage to buildings

Where **buildings** are not insured under this policy but **you** are responsible for the cost of **damage to buildings**, this Section is extended to indemnify **you** in respect of **damage to buildings** and property described in 4.6 of the **buildings** Definition and arising from theft or any attempt thereat.

4 Contracting purchaser

If **you** are selling any **buildings** insured by this Section, the purchaser will be entitled to the benefit of the insurance cover in respect of the **buildings**, up to the date the purchase contract is completed, unless he has arranged his own insurance.

5 Automatic reinstatement of sum insured

The sums insured by this Section will be automatically reinstated by the amount of any claim provided that **you** pay such extra premium as may be required.

6 Capital additions

Cover is extended to include alterations, additions and improvements (but not appreciation in value) in excess of the sums insured on **buildings** and **machinery** insured by this Section.

This is limited to an amount not exceeding ten (10) per cent of the relevant sum insured, provided that **you** advise **us** as soon as practicable of any alterations, additions and improvements and pay any additional premium that may be required.

7 Architects' fees and public authorities

Cover is extended to include architects' and surveyors' fees necessarily incurred in the reinstatement of the **buildings** and **machinery** (not exceeding the scale of fees authorised by the relevant professional bodies and not including fees for preparing any claim) as a result of **damage** insured under this Section, provided that the total amount recoverable under any of the items insured does not exceed the sum insured.

8 Debris removal

Cover is extended to include expenses necessarily incurred in removing debris, cleaning of drains and sewers, dismantling or demolishing and shoring-up or propping or fencing of the items insured as a result of **damage** insured by this Section, provided that the total amount recoverable under any of the items insured does not exceed the sum insured.

We will not pay for any costs or expenses:

- 8.1 incurred in removing debris except from the site of such property damaged and the area immediately adjacent to such site
- 8.2 arising from pollution or contamination of property not insured by this Section.

9 Basis of settlement

9.1 Reinstatement

In the event of **damage** to property insured other than **stock** and personal effects the basis upon which the amount payable will be calculated is as follows:

9.1.1 where property is destroyed - the rebuilding of the property, if a building, or in the case of other property, its replacement by similar property, (in either case in a condition equal to, but not better or more extensive than its condition when new)

9.1.2 where property is damaged - the repair of the **damage** and the restoration of the damaged portion of the property to a condition substantially the same, but not better or more extensive than its condition when new

provided that:

9.1.3 any work of rebuilding or restoration (which may be carried out on another site and in any manner suitable to **your** requirements subject to **our** liability not being increased) is commenced and carried out with reasonable dispatch

9.1.4 where property insured is damaged or destroyed in part only, **our** liability does not exceed the sum representing the cost which could have been paid if the property had been wholly destroyed

9.1.5 no payments are made until rebuilding or restoration costs have actually been incurred

9.1.6 if at the time of rebuilding, restoration or repair, the sum representing 85 per cent of the cost which would have been incurred in reinstatement if the whole of the **building** or **contents** insured by any item had been destroyed, exceeds the sum insured by such item at the time of the **damage**, then the amount payable will be proportionally reduced.

9.2 Indemnity

In the event of **damage** to **stock** and personal effects the basis upon which the amount payable will be calculated will be the cost of repair or current replacement value less deduction for wear and tear.

Where for any reason a payment cannot be made in accordance with 9.1 and 9.2 above our liability will be arrived at as if the Basis of Settlement had not been incorporated and will be subject to the terms and conditions of the policy wording including condition of Average (see General Condition 6).

10 Designation

For the purpose of determining where necessary the heading under which any property is insured, it is agreed to accept the designation under which such property has been entered in **your** books.

11 Documents removal

Deeds, documents, manuscripts, and **business** books including computer software and records are covered whilst temporarily removed to any premises within the European Union, not being occupied by **you**, or whilst in transit by road, rail or inland waterway, provided that **our** maximum liability shall not exceed ten (10) per cent of the **contents** sum insured.

12 Workmen's extension

Workmen may be employed for the purpose of making new erections or alterations, repair, decoration, plant installation, general maintenance and similar at **your premises** without prejudice to this insurance.

13 Unoccupied buildings

Notice is to be given to **us**, if **your building** becomes unoccupied, vacant or disused for a period in excess of thirty (30) consecutive days.

14 Contract price

In respect of goods sold but not delivered for which **you** are responsible under the conditions of sale, where the sale contract is cancelled as a result of total, or to the extent of partial, **damage** covered by this Section, **we** will only be liable for an amount based on the contract price, which will be subject to Average.

15 Underground services

Where the **buildings** are insured by this Section or **you** are liable as tenants, this insurance covers **damage** to the underground water, drain, sewage and gas pipes and underground electricity and telephone cables extending from the **buildings** to the public mains.

16 Glass

Cover is extended to include:

16.1 breakage of all fixed glass and **damage** to window and door frames, together with the necessary cost of boarding up prior to replacement of damaged glass

16.2 **damage** to fixed wash basins, lavatory bowls and cisterns owned by **you** or for which **you** are responsible at the **premises**

16.3 **damage** to neon and illuminated signs and electric light fittings.

16.4 **damage** by impact or falling glass to:

16.4.1 the framework and fittings of the ground floor frontage

16.4.2 goods on display in windows

provided that **our** maximum liability shall not exceed GBP2,500 any one claim.

SECTION C

PROPERTY ALL RISKS

17 Money

Cover is extended to include loss of **money** belonging to **you** for an amount not exceeding the Money Limits shown below.

In addition **we** will indemnify **you** in respect of **damage** to:

- 17.1 any safe, cash box or security case, bag or waistcoat, stamp franking machine owned by or held in trust by **you** at the **premises**, arising from theft or any attempted theft, provided **our** liability does not exceed the cost of repair or where damaged beyond economic repair the cost of replacement
- 17.2 clothing and personal effects belonging to **you** or any **employee**, arising from hold-up, theft or attempted theft of **money** belonging to **you**, away from the **premises** for a maximum amount of GBP1,000 in respect of any one person.

MONEY LIMITS

Item No	Description	Limit of Indemnity
1	Non-negotiable money	GBP250,000
2	Negotiable money whilst on the premises	
2.1	during your normal daily working hours or in transit or in a bank night safe	GBP5,000
2.2	outside your normal daily working hours and contained in a locked safe	GBP1,500
2.3	outside your normal daily working hours and not contained in a locked safe	GBP500
3	Negotiable money whilst contained in your home or that of any authorised employee	GBP500

SPECIAL CONDITIONS

- (a) In respect of **your money** in transit, other than by a specialist security company, **you** must provide not less than one able bodied director, partner and /or **employee** between 18 and 70 years of age for each GBP5,000 of **negotiable money** carried and the sum carried shall be divided between such persons.
- (b) Any **money** recovered after the settlement of any claim will be **our** property, up to the amount paid by **us**.

18 Goods in transit

18.1 Cover is extended to include **damage** to:

18.1.1 **stock** and/or **non-ferrous metals** whilst in transit in the European Economic Area including loading and unloading or whilst temporarily housed during transit whether on or off the vehicle provided that:

- a) **our** maximum liability shall not exceed GBP10,000 any one **consignment**
- b) **we** may at **our** option indemnify, reinstate or replace the stock or **non-ferrous metals** or any part thereof

18.1.2 sheets, ropes, chains, toggles, and packing materials

18.1.3 **your** or **employees'** personal effects whilst in transit provided that **our** maximum liability in respect of any one claim does not exceed GBP1,500

18.2 **we** will also indemnify **you** against expenses reasonably incurred with **our** written consent in respect of:

18.2.1 the transfer of goods being carried to another vehicle, necessitated by **damage** and carriage to the original destination or place of collection

18.2.2 reloading onto another vehicle any part of the goods being carried which have fallen from the original vehicle

18.2.3 the removal of debris and site clearance following **damage**.

19 Breakdown of electronic business equipment and computers

Cover is extended to include **damage** to any item of **electronic business equipment and computers** as a result of its **breakdown** at the **premises**.

Basis of Settlement

In the event of **breakdown** of any item of **electronic business equipment and computers** **we** will pay the full cost of repair or replacement to a condition equal to but not better than its condition when new.

Our maximum liability shall not exceed GBP25,000 any one claim and GBP50,000 in aggregate in any one **period of insurance**.

SPECIAL CONDITION

The insurance provided by this Standard Clause 19 is subject to **you** effecting and keeping in force a maintenance contract in respect of all **electronic business equipment and computers** with the manufacturer of the items or a reputable electronic engineer to service the items at least once every twelve months.

20 Portable tools and stock

Cover is extended to include **damage** to **portable tools** and/or **stock** anywhere in the European Economic Area provided that **our** maximum liability under this Standard Clause shall not exceed GBP5,000 in respect of any one claim and GBP750 any one item for **portable tools** and shall not exceed GBP2,500 in respect of any one claim and GBP750 any one item for **stock**.

21 Portable electronic business equipment

Cover is extended to include **damage** to **portable electronic business equipment** anywhere in the European Economic Area provided that **our** maximum liability under this Standard Clause shall not exceed GBP5,000 in respect of any one claim and GBP1,500 any one item.

22 Electronic business equipment and computers

Cover is extended to include **damage** to **electronic business equipment and computers** whilst at **your premises** provided that **our** maximum liability under this Standard Clause shall not exceed GBP5,000 in respect of any one claim.

23 Subrogation waiver

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

23.1 any Company standing in the relation of Parent to Subsidiary (Subsidiary to Parent) to **you**

23.2 any Company which is a Subsidiary of a Parent Company of which **you** are yourselves a Subsidiary,

in each case within the meaning as defined in the Companies Act or Companies (N.I.) Order, as appropriate, current at the time of the loss.

24 Non-invalidation

This insurance shall not be invalidated by any act or omission or by any alteration whereby the risk of **damage** is increased without **your** knowledge provided that **you** immediately advise **us** as soon as **you** become aware of same and pay such extra premium as may be required.

25 Fire protection and extinguishing appliances

In respect of all fire extinguishing and protection appliances at the **premises you** undertake to:

25.1 ensure that the appliances are installed to scale

25.2 ensure that the appliances are maintained in accordance with manufacturers' instructions

25.3 remedy promptly any defect disclosed by routine inspection

this Section shall not be invalidated by any defect in any of the said appliances due to any circumstances unknown to **you** or beyond **your** control.

26 Non-ferrous metal

Cover includes **damage** to **non-ferrous metals** (other than aluminium) whilst at the **premises** provided that **our** maximum liability under this Standard Clause shall not exceed GBP10,000 in respect of any one claim, unless a higher sum insured in respect of **non-ferrous metals** is shown in the schedule.

SECTION C

PROPERTY ALL RISKS

27 Personal accident assault

Cover is extended to pay **you** compensation in accordance with the Scale of Benefits for death or **bodily injury** sustained by any **Official** due to assault (including robbery or hold-up) or any attempt thereat whilst in charge of **your Money**.

SCALE OF BENEFITS

Item No	Description	Limit
1	Death	GBP25,000
2	Total loss of use of one or more limbs	GBP25,000
3	Total loss of sight in one or both eyes	GBP25,000
4	Permanent total disablement	GBP25,000
5	Temporary total disablement	GBP100 per week
6	Incurred medical expenses	GBP100 or 15% or the amount paid in respect of weekly benefits whichever is the greater

Provided that:

- 1 **our** liability under Benefits 1, 2, 3 and 4 is subject to **bodily injury** occurring within twelve (12) calendar months from the date of the assault.
- 2 where compensation is payable under one or more of the Benefits other than Benefit 6, the maximum sum payable in respect of any one **official**, arising from any one occurrence or event will not exceed GBP25,000. This will not apply where Benefit 2 becomes payable in respect of an amputation which can also be claimed under Benefit 5 but only in respect of disablement prior to the date of amputation and not exceeding six (6) weeks after that date.
- 3 in the event of compensation being paid in respect of Benefit 5, **we** will not be liable to make any payment in respect of the first two (2) weeks of disablement and the period for which compensation is payable will be limited to one hundred and four (104) weeks.

28 Trace and access

Cover is extended to pay **you** costs necessarily and reasonably incurred with **our** consent in locating the source of any escape of water from any fixed water services, heating installation or fuel oil used for domestic purpose only including the repair of walls, floors or ceilings necessary as a direct result of the location work provided that **we** shall not be liable

28.1 to include the cost of repairs to any fixed domestic water services or heating installation

28.2 for any amount in excess of GBP25,000 during any one **period of insurance**.

29 Machinery re-erection

The insurance cover on **machinery** includes the cost of re-erection and re-setting of the **machinery** as a direct result of **damage** insured by this Section.

30 Metered water or gas loss

Cover is extended to pay water or gas charges that **you** are unable to recover from any other party

30.1 measured by the utility meter and

30.2 levied against **you**

as a result of the loss of water or gas due to **damage** at the **premises** provided that **we** shall not be liable for any amount in excess of GBP10,000 for any one claim.

31 Unauthorised use of electricity gas or water

Cover is extended to pay the cost of metered electricity gas or water for which **you** are legally responsible arising from its unauthorised use by persons taking possession or keeping possession of or occupying the **premises** without **your** authority provided that:

31.1 all practicable steps are taken to terminate such unauthorised use as soon as it is discovered

31.2 **we** shall not be liable for any amount in excess of GBP25,000 for any one claim.

32 Temporary repairs following damage

Cover is extended to pay the reasonable cost of:

32.1 boarding-up of fixed glass in windows, doors, fan lights and skylights that is necessary to make the **buildings** secure

32.2 the installation of temporary doors made necessary for weather-proofing or securing the **buildings**

32.3 weather-proofing **buildings**

32.4 securing the site

following **damage** at the **premises**.

33 Exhibition and trade fairs

Cover is extended to pay for **damage** to items insured while at exhibitions and trade fairs including transit anywhere in the European Union (including air and sea transit within the European Union territories on recognised passenger and freight carriage routes unless more specifically insured) provided that **we** shall not be liable for any amount in excess of GBP10,000 any one claim.

Standard clause 33 exclusions

This Standard Clause does not cover **damage**

- 33.1 to watches tobacco cigarettes alcoholic beverages documents radios and pictures
- 33.2 caused by theft or pilferage by an **employee** either as a principal or accessory
- 33.3 resulting directly from defective packing faulty assembly or dismantling
- 33.4 recoverable under any other insurance or in any other way
- 33.5 by theft or attempted theft of the items insured while:
 - 33.5.1 in a building unless involving entry to or exit from the building by violent and forcible means or by robbery or attempted robbery;
 - 33.5.2 carried in a soft-top or open-top motor vehicle;
 - 33.5.3 carried in a hard covered motor vehicle belonging to or under **your** control left unattended between the hours of 9pm and 6am unless:
 - a) parked in a securely locked building or garage; or
 - b) in a security compound
 - i) that is permanently manned and protected by a controlled security barrier or
 - ii) where the vehicle is fitted with an immobiliser approved by **us** and brought into operation
 - 33.5.4 carried in a hard covered motor vehicle belonging to or under your control left unattended between 6am and 9pm unless all doors windows and other means of entry are closed fastened locked and all keys have been removed to a place of safety.
 - 33.5.5 in a tent or marquee

34 Fire extinguishment expenses and damage caused by emergency services

Cover is extended to include where not otherwise recoverable:

- 34.1 extinguishment expenses reasonably incurred by the **insured** in order to minimise **damage**;
- 34.2 expenses incurred in recharging or repairing **damage** to any gas or sprinkler fire extinguishment system;
- 34.3 damage to lawns gardens playing surfaces and landscaped areas car parks private roads and pathways at the **premises** caused by emergency service vehicles while attending an incident involving **damage** for which **we** have accepted a claim under this Section;
- 34.4 costs and expenses reasonably incurred by the **insured** to upgrade or improve any gas or sprinkler fire extinguishment rendered necessary to comply with regulation introduced after the installation of the original system following an incident involving **damage** for which **we** have accepted a claim under this Section;

except that **our** liability for costs and expenses relating to:

- i) 34.1, 34.2 or 34.3 above and **damage** will not exceed GBP20,000; or
- ii) 34.4 above will not exceed GBP100,000,
during any one **period of insurance**.

35 European Union and public authorities

Cover in respect of **buildings** and **machinery** extends to include such additional cost of reinstatement of the destroyed or damaged property as may be incurred solely by reason of the necessity to comply with building or other regulations under or framed in pursuance of any Act of Parliament or with bye-laws of any municipal or local authority or European Union directive provided that:

- 35.1 the amount recoverable under this clause shall not include:
- 35.1.1 the cost incurred in complying with any of the aforesaid regulations, bye-laws or directive;
 - a) in respect of **damage** occurring prior to the granting of this clause
 - b) in respect of **damage** not insured by this Section
 - c) under which notice has been served upon **you** prior to the happening of the **damage**
 - d) in respect of undamaged property or undamaged portions of property other than foundations of that portion of the property damaged
 - 35.1.2 the additional cost that would have been required to make good the property damaged to a condition equal to its condition when new had the necessity to comply with any of the aforesaid regulations, bye-laws or directives not arisen
 - 35.1.3 the amount of any tax, rate, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid regulations, bye-laws or directives referred to
- 35.2 the work of reinstatement must be commenced and carried out with reasonable dispatch and in any case must be completed within twelve (12) months after the **damage** or within such further time as **we** may (during the said twelve months) in writing allow and may be carried out wholly or partially at another **premises** (if the aforesaid regulations, bye-laws or directives so necessitate) subject to **our** liability under this clause not being thereby increased.
- 35.3 if **our** liability under any item of the schedule apart from this clause is reduced by the application of any of the terms and conditions of this Section, then **our** liability under this clause in respect of such item shall be reduced in like proportion.
- 35.4 the total amount recoverable under any item of the schedule shall not exceed the sum insured thereby
- 35.5 all of the conditions of this Section and the policy except in so far as they may be hereby expressly varied, shall apply as if they had been incorporated herein.

36 Sprinkler installation

Where property insured at the **premises** is protected by a sprinkler installation **you** undertake to:

- 36.1 maintain the said installation in working order during the currency of this Section
- 36.2 make a test every week for the purpose of ascertaining that the alarm gong is in working order and that the stop valves controlling the water supply and the installation are fully open
- 36.3 make quarterly or half-yearly tests, if required by **us** to do so, for the purpose of ascertaining that such water supply is in order and record the particulars of each test
- 36.4 remedy promptly any defect revealed by such tests

NB: Immediate notice must be given to **us** should the water supplies be turned off or the sprinkler installation be rendered inoperative from any cause.

37 Rent

If cover for rent is included in the schedule for this Section, such cover applies only if any of the **buildings** or any part thereof are rendered unfit for occupation in consequence of their **damage** by any peril hereby insured against and then the amount payable shall not exceed such proportion of the sum insured on rent as the period necessary for reinstatement bears to the term of rent insured.

38 Customers goods

Your having intimated to **your** customers that **you** will accept responsibility for **damage** to goods the property of such customers or for which the said customers may be legally responsible (whether manufactured by **you** or not) upon which work is to be, is being or has been done on behalf of the customer by **you** or which may be left in **your** hands for storage or dispatch or otherwise temporarily in **your** custody, it is hereby declared that all such goods shall be held to be insured by the items of the schedule covering **stock** except in so far as they shall be more specifically otherwise insured.

39 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 **us** in the event of a claim. In addition, **your** interest or that of the mortgagee(s) in this insurance shall not be prejudiced by any act or neglect of the occupier (s) or mortgagor(s) of any **building** hereby insured whereby the risk of **damage** is increased without **your** authority or knowledge or that of the mortgagee(s) provided that **you** or the mortgagee(s) shall immediately on becoming aware thereof give notice in writing to **us** and on demand pay such reasonable additional premium as **we** may require.

40 Hire agreements

In consequence of certain property insured under this Section being the subject of hire agreements, it is understood and agreed that the interest of the owners is deemed to be included in the protection afforded by this Section, it being understood that **you** will declare the name of any other interested party in the event of **damage**.

41 Day one reinstatement basis (non-adjustable)

This clause is applicable to those items of property insured against which the sums are marked „Day 1 operative“ in the schedule. **Your** having stated in writing the **declared value** incorporated in each item of property insured to which this clause applies, the premium has been calculated accordingly.

41.1 **Declared value** shall mean **your** assessment of the cost of reinstatement of the property insured arrived at in accordance with paragraph 9.1.1 of Standard Clause 9 at the level of costs applying at inception of the **period of insurance** (ignoring inflationary factors which may operate subsequently) together with, if insured hereby, due allowance for

41.1.1 the additional costs of reinstatement to comply with Public Authority requirements

41.1.2 architects and surveyors' fees

41.1.3 debris removal costs

41.2 At inception of each **period of insurance** **you** will notify **us** of the **declared value** of each item of property insured to which this clause applies. In the absence of such a declaration the last amount declared by **you** shall be taken as the Declared Value for the ensuing period of insurance.

41.3 Paragraph 9.1.6 of Standard Clause 9 is amended to read:

Each item of property insured to which this clause applies is declared to be separately subject to the following Condition of Average:

If at the time of **damage** the **declared value** of the property insured is less than the cost of reinstatement (to be assessed as stated above) at inception of the **period of insurance** then **our** liability for any loss hereby insured shall be limited to that proportion thereof which the **declared value** bears to the cost of reinstatement.

41.4 In the event of **damage** **our** liability in respect of property insured to which this clause applies shall not exceed the sum insured (being the **declared value** increased by the percentage uplift specified in the schedule) in respect of each separate **premises**.

EXCLUSIONS

This Section does not cover:

- 1 **damage** caused by theft or attempted theft unless involving entry to or exit from the **buildings** at the **premises** by forcible and violent means or by violence or threat of violence to **you** or **your employees** provided that this exclusion shall not apply to

- 1.1 property defined in the **buildings** General Definition 4
- 1.2 Standard Clause 1 Changing Locks.
- 1.3 Standard Clauses 17 Money, 18 Goods in Transit and 33 Exhibition and Trade Fairs.

For the purpose of this insurance forcible and violent entry to or exit from or through an internal door, office, cage, compartment or store within the **buildings** will not satisfy the rider to this theft exclusion unless the office, cage, compartment or store accessed by the internal door is the sole part of the **buildings** occupied by **you**.

- 2 **damage** caused by:

- 2.1 defective or faulty design, materials or workmanship, latent defect or inherent vice
- 2.2 gradual deterioration, putrefaction, corrosion, wear and tear, infestation, vermin, frost, marring or scratching
- 2.3 change in temperature, dampness, dryness, wet or dry rot, shrinkage, evaporation, loss of weight or change in colour, flavour or texture
- 2.4 acts of fraud or dishonesty by **you**
- 2.5 fraudulent, dishonest or deliberate accessing, extraction, distortion, erasure, corruption or misappropriation of information or data contained in any **electronic business equipment and computers** or other records, programs or software
- 2.6 change in water table level
- 2.7 pollution or contamination except **damage** to items insured caused by:
 - 2.7.1 pollution or contamination which itself results from a **defined peril**
 - 2.7.2 a **defined peril** which itself results from pollution or contamination

For the purpose of this Exclusion 2.7 **defined peril** means:

fire lightning explosion earthquake aircraft or other aerial device or articles dropped therefrom, riot civil commotion strikers locked out workers person taking part in labour disturbances malicious persons other than thieves storm flood escape of water or oil from any tank or pipe sprinkler leakage theft or impact by any vehicle or animal.

- 2.8 **breakdown** other than in respect of **electronic business equipment and computers**
- 2.9 the insured property undergoing any process including, but not limited to, cleaning, repairing, restoring, renovating, alteration, maintenance or testing
- 2.10 explosion or failure of any boiler (other than a boiler used for domestic purposes only) whose internal pressure is due to steam only
- 2.11 **virus or similar mechanism, hacking or denial of service attack**

however this will not exclude any subsequent **damage** resulting from any ensuing cause which is not otherwise excluded.

- 3 **damage** to **buildings** caused by subsidence, ground heave or landslip, normal settlement, bedding down of new structures or collapse.
- 4 **damage** to livestock, growing crops, trees, watercraft, aircraft, jewellery, precious stones, furs or promissory notes unless specifically mentioned in the schedule.
- 5 **damage** to:
 - 5.1 moveable property in the open, gates, fences or property in the course of erection or installation
 - 5.2 any motor vehicle whose use is not permanently confined to the **premises**
 - 5.3 boilers and economisers, steam vessels, tubes or pipes following cracking, fracturing, collapse or overheating, nipple leakage and/or the failure of welds.
- 6 **damage**
 - 6.1 which is not identifiable by **you** in relation to a specific occurrence which has been notified under Claims Condition 4.
 - 6.2 revealed only during an inventory or stock-taking
 - 6.3 arising from misfiling or misplacing of property, information or data
 - 6.4 at a **premises** which is empty or unoccupied for a period in excess of thirty (30) consecutive days, unless **we** agree in writing to continue the insurance.
- 7 **damage** of, to, or by:
 - 7.1 explosives
 - 7.2 any dynamo, motor or other portion of the electrical equipment caused by its own over-running, excessive pressure, short-circuiting or self-heating.

- 8 **damage** to motor vehicles or their contents more specifically insured except in respect of any amount over and above that recoverable under such specific insurance provided that **our** maximum liability does not exceed GBP25,000 any one event.
- 9 **damage** to **money** and other property insured by Standard Clause 17:
- 9.1 due to error or omission
 - 9.2 from unattended vehicles
 - 9.3 belonging to **your** customers
 - 9.4 which is recoverable from a security company or its insurers under an agreement between **you** and the security company, for the conveyance of **money**
 - 9.5 from a safe opened by a key or a note of the combination being left at the **premises** when closed for **business** or unattended.
 - 9.6 arising from or due to arson, malicious damage, theft, fraud or dishonesty by **your employees** unless discovered within fourteen (14) days after the incident or occurrence that may give rise to a claim.
- 10 breakage of or **damage** to sanitary ware:
- 10.1 caused by chipping or scratching only
 - 10.2 broken or defective at the commencement of this insurance
 - 10.3 at an empty or unoccupied **premises**.
- 11 **breakdown** of any item of **electronic business equipment and computers**
- 11.1 unless it has been installed and is being operated in accordance with the manufacturer's instructions
 - 11.2 whilst it is the subject of a guarantee or warranty provided by the manufacturer or supplier under which **breakdown** cover is provided
 - 11.3 arising during dismantling or erection of the installations unless during any process of adjusting, cleaning or repairing.
- 12 **damage** to property insured by Standard Clauses 18, 20 & 21.
- 12.1 caused by atmospheric conditions, delay, loss of market, depreciation, deterioration, wear and tear, vermin or defective packaging

SECTION C

PROPERTY ALL RISKS

- 12.2 by theft or any attempted theft from any vehicle belonging to **you** or under **your** control whilst left unattended unless all openings have been secured and locked and any alarm system and immobiliser have been brought into operation
- 12.3 by theft or any attempted theft, outside **business hours** unless the vehicle is contained within an area which is locked and secured at all points of access
- 12.4 by theft or attempted theft, malicious persons or storm, to property in any soft or open topped vehicle
- 13 consequential loss of any kind or description except cover provided by Standard Clause 18.2 or Rent if insured by this Section.
- 14 **damage** resulting from or contributed to, by or in connection with, in whatever form, directly or indirectly, any act of **war** or **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss, nor will **we** have any liability for loss, **damage**, costs and expenses directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action controlling, preventing, suppressing, retaliating against or responding to any act of **war** or **terrorism**.
- 15 the first GBP250 of each and every claim unless the **damage** is caused to **money** or is in respect of loss of keys and/or **damage** to clothing or personal effects.
- 16 **damage** to glass;
- 16.1 caused by alterations to the framework or position of any of the glass or to neon and illuminated signs and electric light fittings or to sanitary earthenware
- 16.2 caused by settlement or expansion or contraction of frames and fittings in **buildings** under construction and during a period of six (6) months after the date of completion of the **buildings**
- 16.3 at an empty or unoccupied **premises** unless specifically agreed by **us**
- 16.4 existing prior to the commencement of this policy and not subsequently replaced
- 16.5 in respect of neon and illuminated signs and electric light fittings:
- 16.5.1 caused by or traceable to wear and tear or to gradual deterioration, mechanical or electrical breakdown or removal from the fixed position other than by theft or attempted theft
- 16.5.2 of bulbs or tubes unless involving **damage** to signs or fittings
- 16.6 and in addition
- 16.6.1 glass which is bent, tinted, stained and fixed or incorporated in multiple glazed units
- 16.6.2 decoration or protective film or alarm foil on glass unless to comply with the quality recommended in the current British Standard Code of Practice.

SECTION D BUSINESS INTERRUPTION ALL RISKS

DEFINITIONS to Section D

1 Annual turnover

Annual turnover means the **turnover** during the twelve months immediately before the date of the **damage**.

2 Estimated gross profit

Estimated gross profit means the amount declared by **you to us** as representing not less than the **gross profit** which it is anticipated will be earned by the **business** during the year most nearly concurrent with the **period of insurance** (or a proportionately increased multiple thereof where the **indemnity period** exceeds twelve months).

3 Gross profit

Gross profit means the amount by which

3.1 the sum of the amount of the **turnover** and the amounts of the closing **stock** and work in progress exceeds

3.2 the sum of the amounts of the opening **stock** and work in progress and the amount of the **specified working expenses**.

N.B. The amounts of the opening and closing **stocks** (including work in progress) will be arrived at in accordance with **your** usual accounting methods, due provision being made for depreciation.

4 Increased cost of working

Increased cost of working means the additional expenditure necessarily and reasonably incurred with **our** consent.

5 Indemnity period

Indemnity period means the period beginning with the occurrence of the **damage** and ending not later than the **maximum indemnity period**, during which the results of the **business** are affected as a result of the **damage**.

6 Maximum indemnity period

As stated in the schedule.

7 Outstanding debit balances

Outstanding debit balances means the money owed to **you** by **your** customers at the date of the **damage** taking into account:

7.1 bad debts

7.2 owed amounts not passed through the books during the period between the last record and the date of the **damage**

7.3 abnormal trading conditions affecting the **business**

SECTION D BUSINESS INTERRUPTION ALL RISKS

7.4 **your** last record of amounts owed by customers.

8 **Rate of gross profit**

Rate of gross profit means the rate of **gross profit** earned on the **turnover** during the financial year immediately before the date of the **damage**.

9 **Rent receivable**

Rent receivable means the amount of the rent received or receivable from the letting of the property situate at the locations specified in the schedule.

10 **Specified working expenses**

Specified working expenses means:

10.1 purchases (less discounts received)

10.2 discounts allowed

10.3 carriage, packing and freight.

11 **Standard rent receivable**

Standard rent receivable means the **rent receivable** during the period corresponding with the **indemnity period** in the twelve months immediately before the date of **damage**.

12 **Standard turnover**

Standard turnover means the **turnover** during that period in the twelve months immediately before the date of the **damage** which corresponds with the **indemnity period**.

13 **Turnover**

Turnover means the money paid or payable by **you** for goods sold and delivered and for services rendered in the course of the **business** at the **premises**.

NB1 The words and expressions used in these definitions will have the meaning usually attached to them in **your** books and accounts. Any adjustments implemented in current cost accounting will be disregarded.

NB2 To the extent that **you** are accountable to the tax authorities for Value Added Tax all terms in this Section shall be exclusive of such Tax.

COVER

- 1 In the event that any building or other property used by **you** at the **premises** for the purpose of the **business** is **damaged** by an insured peril during the **period of insurance** and in consequence the **business** carried on by **you** at the **premises** is interrupted or interfered with then **we** will pay in respect of each item of Business Interruption insurance stated in the schedule the amount of loss resulting from such interruption or interference provided that the time the **damage** occurs:
- there is in force an insurance policy covering **your** interest in the property at the **premises** against such **damage**;
 - you** have claimed under the insurance policy referred to in clause 1a above, and the relevant insurer has paid such a claim in full or admitted liability for such claim, or would have done so but for the operation of a proviso in such insurance policy excluding liability for losses below a specified amount.
- 2 Further, **we** agree that if any records of accounts receivable used by **you** at the **premises** for the purpose of the **business** are **damaged** by an insured peril during the **period of insurance** and in consequence income is lost resulting from **your** inability to trace or establish **your outstanding debit balances** then **we** will pay the loss of income resulting from **your** inability to trace or establish **your outstanding debit balances** as a direct result of **damage** by any insured peril provided that:
- our** liability under this section shall not exceed GBP150,000 any one claim or the sum insured or limit of liability stated in Item 6 to the Business Interruption section of the schedule;
 - you** keep all books of account or other **business** books or records in which customers' accounts are shown in a fire resisting cabinet or safe when not in use;
 - all data contained in any **electronic business equipment and computers** in respect of **your** customers' accounts is backed-up at least weekly onto a disk and maintained away from the **premises**.
- In addition **we** will pay expenses incurred with **our** consent in tracing and establishing customers' debit balances after the **damage**.
- 3 **Limit of Liability**
Our liability under this section will not exceed the lesser of:
- in the whole the total sums insured; or
 - in respect of any item of settlement specification, its sum insured at the time of the **damage**;
or
 - any other limit of liability stated in the schedule at the time of the **damage**;
 - the sum insured (or limit of liability) remaining after deduction for any other interruption or interference consequent upon **damage** occurring during the same **period of insurance**, unless **we** have agreed to reinstate any such sum insured (or limit of liability).

4 Gross Profit / Estimated Gross Profit

Our liability in respect of schedule item 1 (**Estimated Gross Profit**) is limited to loss of **gross profit** caused by a reduction in **turnover** or an increase in cost of working. **Our** liability under clause 1.1 in respect of schedule item 1 will be:

- a) in respect of reduction in **turnover**: the sum produced by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** will, in consequence of the **damage**, fall short of the **standard turnover**;
- b) in respect of increase in cost of working: the additional expenditure (subject to the provisions of the uninsured standing charges clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **turnover** which but for that expenditure would have taken place during the **indemnity period** in consequence of the **damage**, but not exceeding the sum produced by applying the **rate of gross profit** to the amount of the reduction thereby avoided;
- c) minus, regardless of whether the calculation is based on clause 4a or 4b, any sum saved during the **indemnity period** in respect of such of the charges and expenses of the **business** payable out of **gross profit** as may cease or be reduced in consequence of the **damage**;
- d) except that, in either case, if the sum insured in respect of schedule item 1 is less than the sum produced by applying the **rate of gross profit** to the **annual turnover** (or to a proportionately increased multiple thereof where the **maximum indemnity period** exceeds twelve months) **our** liability will be proportionately reduced.

5 Increased Cost of Working

Our liability in respect of schedule item 3 (**Increased cost of working**) is limited to the increase in cost of working and the amount payable under clause 1 in respect of schedule item 3 will be the additional expenditure necessarily and reasonably incurred by **you** in consequence of the **damage** in order to prevent or minimise the interruption of the **business** during the **indemnity period**.

6 Additional Increased Cost of Working

Our liability in respect of schedule item 4 (**Additional Increased cost of working**) is limited to additional increased cost of working and the amount payable under clause 1 in respect of schedule item 4 will be the additional expenditure necessarily and reasonably incurred during the **indemnity period** in consequence of the **damage** for the sole purpose of preventing or minimising a reduction in **turnover** or resuming or maintaining normal **business** operations for an amount not exceeding the sum insured by this item.

7 Rent Receivable

Our liability in respect of schedule item 5 (**Rent receivable**) is limited to loss of **rent receivable** and additional expenditure and the amount payable under clause 1 in respect of schedule item 5 will be:

- a) in respect of loss of **rent receivable**: the amount by which in consequence of the **damage**, the **rent receivable** during the **indemnity period**, falls short of the **standard rent receivable**;
- b) in respect of additional expenditure: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of **rent receivable** which but

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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 **rent receivable** thereby avoided;

- c) minus any sum saved during the **indemnity period** in respect of such of the expenses and charges payable out of **rent receivable** as may cease or be reduced in consequence of the **damage**;
- d) except that if the sum insured in respect of schedule item 5 is less than the annual **rent receivable** (or a proportionately increased multiple thereof where the **maximum indemnity period** exceeds twelve months) **our** liability will be proportionately reduced.

8 Outstanding Debit Balances

The insurance by schedule item 6 is limited to **outstanding debit balances**.

STANDARD CLAUSES

1 Alternative Trading

If during the **indemnity period** goods shall be sold or services shall be rendered elsewhere than at the **premises** for the benefit of the **business** either by **you** or by others on **your** behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the **gross profit** during the **indemnity period**.

2 Payments On Account

Payments on account may be made to **you** monthly during the **indemnity period** if desired.

3 Professional Accountants

Any particulars or details contained in **your** books of account or other **business** books or documents which may be required by **us** under Claims Condition 5 of this policy for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are acting as such for **you** and their report shall be prima facie evidence of the particulars and details to which such report relates. **We** will pay to **you** the reasonable charges payable by **you** to **your** professional accountants for producing such particulars or details or any other proofs, information or evidence as may be required by **us** under the terms of Claims Condition 5 of this policy and reporting that such particulars or details are in accordance with **your** books of account or other **business** books or documents.

4 Uninsured Standing Charges

If any standing charges of the **business** are not insured by this Section (having been deducted in arriving at the **gross profit**) then in computing the amount recoverable hereunder as **increased cost of working** that proportion only of any additional expenditure shall be brought into account which the **gross profit** bears to the sum of the **gross profit** and the uninsured standing charges.

5 Delayed Loss

In adjusting any claim, account shall be taken and an equitable allowance made if any reduction in **gross profit** due to the **damage** is postponed by reason of the **gross profit** being temporarily maintained from accumulated stocks of finished goods.

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6 First Year of Trading

In the event of any claim arising from **damage** occurring before the completion of the first year's trading of the **business** at the **premises** the terms expressed in the "Definitions", shall be adjusted to apply to the **gross profit** and outgoing during the period from commencement of the **business** to the date of the **damage**.

7 Subrogation Waiver

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

7.1 any Company standing in the relation of Parent to Subsidiary (Subsidiary to Parent) to **you**

7.2 any Company which is a Subsidiary of a Parent Company of which **you** are yourselves a Subsidiary,

in each case within the meaning as defined in the Companies Act or Companies (N.I.) Order, as appropriate, current at the time of the loss.

8 Declaration Linked

8.1 In respect of sums insured marked "Declaration linked condition operative" in the schedule **you** shall prior to each renewal furnish **us** with the estimate of **gross profit** as insured hereby for the financial year most nearly concurrent with the ensuing year of insurance,

8.2 The first and annual premiums in respect of **gross profit** as insured hereby are provisional and are based on estimated **gross profit**.

You shall furnish **us** not later than six (6) months after the expiry of each **period of insurance** a declaration certified by **your** Professional Accountants of **gross profit** during the financial year most nearly concurrent with the **period of insurance**.

If any **damage** shall have occurred giving rise to a claim for loss of **gross profit** the above-mentioned declaration shall be increased by **us** for the purpose of premium adjustment by the amount by which the **gross profit** was reduced during the financial year solely in consequence of the **damage**.

If the declaration (adjusted as provided above and proportionately increased where the **maximum indemnity period** exceeds twelve months)

8.2.1 is less than the **estimated gross profit** as insured hereby for the relative **period of insurance** **we** will allow a pro rata return of the premium paid on the **estimated gross profit** as insured hereby but not exceeding fifty (50) per cent of such premium

8.2.2 is greater than the **estimated gross profit** as insured hereby for the relative **period of insurance** **you** shall pay a pro rata extra premium on **estimated gross profit** as insured hereby.

8.3 Notwithstanding Clause 3 of Cover under this section, **our** liability shall in no case exceed, in respect of **gross profit** one hundred and thirty-three and a third per cent (133%) of **gross profit** stated herein, in respect of each other item one hundred per cent

of the sum insured stated herein, nor in the whole the sum of one hundred and thirty-three and a third per cent of **estimated gross profit** as insured hereby and one hundred per cent of the sums insured by other items or such other amounts as may be substituted therefore by memorandum signed by or on behalf of **QBE**.

In the absence of written notice by **you** or **us** to the contrary **our** liability shall not stand reduced by the amount of any loss, **your** undertaking to pay the appropriate extra premium for such automatic reinstatement of cover.

STANDARD COVER EXTENSIONS

Cover provided by this Section is extended to include loss of **gross profit** and/or **increased cost of working** arising from:

1 Prevention of Access

Damage to property in the vicinity of the **premises** by any event insured under Section C which prevents or hinders use of or access to the **premises** provided that **our** maximum liability shall not exceed GBP100,000 any one claim.

2 Public Utilities

Damage resulting from interruption or interference with the **business** in consequence of **damage** by any event insured under Section C to property at any:

- 2.1 generating station or sub-station of public electricity supply undertaking
- 2.2 land based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith
- 2.3 water works or pumping station of the public water supply undertaking
- 2.4 land based premises of the public telecommunication undertaking

from which **you** obtain electricity, gas, water or telecommunication services provided that **our** maximum liability shall not exceed GBP100,000 any one claim.

3 Suppliers and Storage Sites

Damage by any event insured under Section C to property at the premises of any of **your** suppliers and premises not occupied by **you** where **your** property is stored, all in the **United Kingdom** (other than suppliers of electricity, gas, water or telecommunication services), provided that **our** maximum liability shall not exceed ten (10) per cent of the sum insured any one claim.

4 Customers

Damage by any event insured under Section C to property at the premises of any of **your** customers in the **United Kingdom** with whom at the time of the **damage you** have agreed under contract or trading relationship to supply goods or services, provided that **our** maximum liability shall not exceed ten (10) per cent of the sum insured or GBP100,000 whichever is the greater, in respect of any one claim.

5 Closure

Closure of the **premises** by a competent Authority due to:

- 5.1 murder, suicide or food or drink poisoning
- 5.2 defective sanitary arrangements, vermin or pests
- 5.3 an outbreak of any notifiable human infection or contagious disease

6 Contract Sites

Damage by any event insured under Section C to property at any contract site in the **United Kingdom** not occupied by **you** where **you** are carrying out a contract.

7 Exhibition Sites

Damage by any event insured under Section C to property at any site in the **United Kingdom** where **you** are exhibiting your goods for sale.

8 Salvage Sale

If following **damage** giving rise to a claim under this Section **you** hold a salvage sale during the **indemnity period**, clause 4a of COVER will for the purposes of such claim read as follows:

“in respect of the reduction in **turnover** the sum produced by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** (less the **turnover** from the period of the salvage sale) in consequence of the **damage** falls short of the **standard turnover** from which sum the **gross profit** actually earned during the period of the salvage sale will be deducted.”

9 Departmental

If the **business** is conducted in departments the independent trading results of which are ascertainable, the provisions of schedule item 1 will apply separately to each department affected by the **damage** except that, if the insurance is not on a declaration-linked basis, if the sum insured by the said item is less than the aggregate of the sums produced by applying the **rate of gross profit** for each department of the **business** (whether affected by the damage or not) to its relative **annual turnover** (or to a proportionately increased multiple thereof where the **maximum indemnity period** exceeds twelve (12) months) the amount payable will be proportionately reduced.

10 Reinstatement of Loss

In the event of loss under this Section and in the absence of written notice by **us** or **you** to the contrary, the amount of such loss is to be automatically reinstated from the date thereof, **your** undertaking to pay such necessary premium as may be required for reinstatement for the remainder of the **period of insurance**.

EXCLUSIONS

1 Fines and Damages

We will not be liable for any loss due to fines or damages for breach of contract, for late or non-completion of orders or for any penalties of whatever nature.

2 Other Exclusions

All of the Exclusions in Section C will apply to this Section with the exception of Exclusions 13 and 15.

DEFINITIONS to Section E

1 **Property Insured**

Property insured means the category of property below used for **business** purposes but the property is not insured unless the schedule specifies the individual category of property **you** have chosen to insure.

1.1 **Contract works**

Contract works means:

- 1.1.1 property forming part of the permanent or temporary works completed or in the course of completion in the performance of **your contract** with **your principal**; and
- 1.1.2 materials or other goods supplied for incorporation into the works but not including property more specifically insured;
- 1.1.3 whilst:
 - a) on or adjacent to the **contract** site within the **United Kingdom**; or
 - b) in transit by road, rail or inland waterway to or from the **contract** site; or
 - c) temporarily stored away from the **contract** site, including storage at **your** premises,
- 1.1.4 but only if:
 - a) consigned for use in a specific **contract**, and
 - b) **you** are responsible under **contract** conditions for the **damage**.

But always excluding **non-ferrous metals** having a value in excess of GBP10,000.

1.2 **Temporary buildings, plant and other property**

Temporary buildings, plant and other property means:

- 1.2.1 temporary buildings, caravans and their contents; and
- 1.2.2 constructional plant, tools and equipment;

while anywhere within the **United Kingdom** including while in transit by road, rail or inland waterway (transit includes plant driven under its own power) but this will not include:

- a) insurance of any item of constructional plant having a replacement value in excess of GBP100,000 unless the replacement value of such an item is specified in the schedule;
- b) property supplied to **you** under the terms of a hiring agreement.

1.3 **Hired-in Plant and equipment**

Hired-in Plant and equipment means:

- 1.3.1 temporary buildings and caravans; and
- 1.3.2 constructional plant, tools and equipment;

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supplied to **you** and for which **you** are responsible under the terms of a hiring agreement while anywhere within the **United Kingdom** including while in transit by road, rail or inland waterway (transit includes plant driven under its own power) but this will not include

- a) insurance of any item of constructional plant having a replacement value in excess of GBP100,000 unless the replacement value of such an item is specified in the schedule.

1.4 **Personal effects and tools**

Personal effects and tools means the personal effects and tools belonging to the **employee**, or for which the **employee** is responsible, while on the **contract** site within the **United Kingdom**, but limited to GBP1,500 per **employee** and within which sum the maximum for any one mobile telephone is limited to GBP500 unless these limits are otherwise specified in the schedule.

2 **Business hours**

Business hours means **your** daily working hours but extended to twenty-four (24) hours each day during which **you** or **your employees** are assigned call out duty and or attendance at an emergency call out other than during normal office hours.

3 **Claim**

Claim means all **damage** and other losses against which an indemnity is provided by this section arising out of any one event or series of events arising from one cause.

4 **Contract**

Contract means the contract or agreement that **you** enter into to perform work in accordance with **your business**.

5 **Excess**

Excess means the amount that **you** must pay. The amount is shown on the schedule and applies to each and every **claim** as ascertained after the application of all other terms and conditions.

Where any insurance is stated as a **limit of liability** in the schedule, Standard Clauses or elsewhere in this section the limit will apply to each and every **claim** after the payment of the **excess** by **you**.

If **damage** to the **property insured** is caused by subsidence, collapse, earthquake, flood, storm, tempest or the escape of water during one period of seventy-two (72) consecutive hours for which a **claim** is made and accepted under this section, the **damage** will be treated as a single **claim**.

6 **Limit of liability**

Limit of liability means the sum insured stated in the schedule which shall be **our** maximum liability under this Section. The indemnity provided by the Standard Clauses or any other amendment to this Section shall not operate so as to increase the maximum amount payable.

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CONTRACT WORKS

7 **Period of maintenance**

The period of maintenance means the maintenance period as specified in the **contract** but not exceeding twelve (12) months.

8 **Principal**

Principal means any company, partnership, public authority or individual for whom **you** have agreed to carry out work under the terms of a **contract**.

9 **Reinstatement**

Reinstatement means the carrying out of the after-mentioned work

9.1 where property is lost or destroyed, the rebuilding of the property if a building or, in the case of other property, its replacement by similar property, in either case in a condition equal to but not better or more extensive than its condition when new

9.2 where property is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.

COVER

1 **We** will pay for rectifying **damage** to the **property insured** during the **period of insurance**. **We** will pay at **our** option:

1.1 the costs of repair; or

1.2 the costs of **reinstatement** or replacement; or

1.3 a cash sum to **you** instead of the above,

in respect of the **damage**.

2 **Our** maximum payment will be:

2.1 the **limit of liability** set against each item on the schedule; or

2.2 the amount specified in any Standard Clause or extension to this Section.

STANDARD CLAUSES

The Section and policy Exclusions and Conditions apply to the Standard Clauses. The Standard Clauses do not increase the **limit of liability**, unless stated, or **our** maximum payment to **you**.

1 Reinstatement of the limit of liability

The **limit of liability** is reduced by the value of the **claim** each time a **claim** is made. **We** will reinstate the **limit of liability**, but **you** must:

- 1.1 agree to pay any reasonable additional premium; and
- 1.2 take immediate steps to carry out any changes to the protection of the **property insured** that **we** require.

Our agreement to reinstate the **limit of liability** may be cancelled by **you** or **us** on written notice.

2 Additional interests in the contract works

We will note the insurable interest of the following parties in the **contract works**:

- 2.1 **your** principal, jointly insured with **you** to the extent required by the terms of **your contract**,
- 2.2 other parties but **you** must declare to **us** the names of these parties immediately following a claim for **damage**.

3 Architects', surveyors' and other fees in reinstatement

This Section extends to cover:

- 3.1 architects, surveyors' and consulting engineers' fees; and
- 3.2 other fees,

necessarily incurred in the **reinstatement** following **damage** to the **property insured**.

Standard Clause 3 Exclusions

In addition to the Exclusions to the Contract Works section, **we** will not pay:

- 3.3 amounts that exceed the scale of fees authorised by the relevant professional bodies,
- 3.4 fees for preparing a **claim** under this section,
- 3.5 any amount that exceeds the **limit of liability** shown on the schedule.

4 Continuing plant hire charges

This Section extends to cover **your** legal obligation to pay continuing hire charges while plant hired-in is out of commission following:

4.1 **damage** to the plant hired-in but only if:

4.1.1 **you** have made a claim under this section for the **damage**; and

4.1.2 **we** have accepted the **claim**, or would have but for the amount of the **excess**,

4.2 breakdown of the plant hired-in because of **your** neglect or mis-use

Standard Clause 4 Exclusions

In addition to the Exclusions to the Contract Works section **we** will not pay:

4.3 hire charges for the first two (2) full working days the plant is out of use, or the amount of the **excess** shown in the schedule whichever is the greater.

4.4 continuing hire charges exceeding a period of ninety (90) days (after the expiry of the first two (2) working days),

4.5 continuing hire charges for tower cranes,

4.6 any amount exceeding a **limit of liability** of GBP100,000.

5 Debris removal

This Section extends to cover expenses which are necessary for:

5.1 removing debris,

5.2 cleaning or repairing of drains or sewers,

5.3 dismantling or demolishing,

5.4 shoring up, propping or fencing,

of any portion of the **property insured** which has suffered **damage**.

Standard Clause 5 Exclusions

In addition to the Exclusions to the Contract Works section **we** will not pay any cost or expense:

5.5 incurred in removing debris except from the site of the **property insured** which has suffered **damage** insured by this section and the area immediately adjacent,

5.6 arising from pollution or contamination of property not insured by this Section,

5.7 exceeding the **limit of liability** applying to the category of **property insured** relating to

the property damage.

6 Escalation in contract price

The **limit of liability** for the relevant **contract works** is automatically increased by the amount of a price increase of a **contract** during the **period of insurance** but the amount of the increase will be limited to twenty-five (25) per cent of the **limit of liability**.

7 Free issue materials

The **contract works** include all free issue materials for which **you** are responsible, supplied by or on behalf of **your principal** named in **your contract**.

However, for this extension to apply, the value of the materials must be included within the **limit of liability** of the **contract works** and also the figures **you** supply for the adjustment of premium condition.

8 Immobilised plant

If constructional plant or equipment becomes unintentionally immobilised on the **contract** site, then **we** will pay the costs necessarily incurred in its recovery or withdrawal but **we** will not pay costs if the recovery or withdrawal is necessary solely because of electrical or mechanical breakdown, failure or derangement but this shall not exclude breakdown due to negligence by **you** or **your employee**.

9 Local authority reinstatement requirements

This Section extends to cover the additional costs of **reinstatement**

9.1 of damaged buildings,

9.2 in respect of undamaged portions of damaged buildings

incurred solely to comply with building or other regulations as required by legislation or EU Directive(s) or bye-laws of any municipal or local authority provided that the work of **reinstatement** commences within twelve (12) months of the **damage** and is finished within a reasonable time.

Where **reinstatement** is required by legislation, directive(s) or bye-laws in whole or in part on another site, the insurance by this Standard Clause will cover the cost of **reinstatement** up to an amount not exceeding the cost that would have been incurred had **reinstatement** been carried out on the site where **damage** occurred.

Standard Clause 9 Exclusions

In addition to the Exclusions to the Contract Works section **we** will not pay:

9.3 any cost or expense incurred in respect of **damage** not insured by this Section,

9.4 additional costs incurred solely to comply with building or other regulations if relevant notice had been served upon the **insured** before the **damage** occurred,

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9.5 any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the property owner under the legislation, directive(s) or bye-laws,

9.6 any amount that exceeds the **limit of liability** shown on the schedule.

10 Location of source of the escape of water

We will pay the costs necessarily and reasonably incurred with **our** consent

10.1 in locating the source of any escape of water from any fixed water services that has caused **damage** to property that is insured by this section,

10.2 in completing repairs to the parts of a building insured by this section and damaged as a direct result of the location work.

Standard Clause 10 Exclusions

In addition to the Exclusions to the Contract Works section **we** will not pay:

10.3 the cost of repairs to any fixed water services,

10.4 any amount in excess of GBP25,000 during any one **period of insurance**,

10.5 the **excess** being GBP500 or such other amount as stated in the schedule.

11 Negligent breakdown for hired-in plant

This Section extends to cover **damage** to **hired-in plant and equipment** for which **you** are responsible under **your** plant hire conditions arising from any breakdown of the **hired-in plant and equipment** due to negligence by **you** or **your employee**.

12 Personal effects and tools – away from site

This Section extends to cover **damage** to the **personal effects and tools**, while away from the **contract** site within the **United Kingdom**.

Standard Clause 12 Exclusions

In addition to the Exclusions to the Contract Works section **we** will not pay for:

12.1 **damage** caused by theft or attempted theft from an open-top or soft-top motor vehicle,

12.2 **damage** caused by theft or attempted theft from a hard-top motor vehicle,

12.2.1 outside **business hours** unless parked in a securely locked building or garage,
or

12.2.2 left unattended unless:

12.2.2.1 all doors, windows and other means of entry are closed locked;
and

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12.2.2.2 all keys have been removed to a place of safety,

12.3 **damage** recoverable under any other insurance or in any other way;

12.4 any amount exceeding GBP1,500 per **employee**.

13 Plans, drawings, specifications and documents

This Section extends to cover **damage** to plans, drawings, specifications and documents within the **United Kingdom** (except on the site of a contract not insured by this section) but any **claim** is limited to

13.1 the value of the materials as stationery and the cost of clerical labour involved in their reproduction and not the value to **you** of the information they contain; and

13.2 GBP25,000 for all claims in total during a **period of insurance**.

14 Replacement of locks for constructional plant

This Section extends to cover the reasonable cost of replacing the locks of constructional plant following the loss of keys

14.1 from a locked cabinet or locked safe at **your** premises, **your** home or the home of **your** authorised **employee**,

14.2 by theft following a hold-up while the keys are in **your** personal custody or that of **your** authorised **employee**.

Our maximum payment will not exceed GBP500 for any one **claim**.

15 Increased cost of working

We extend this insurance to include increased cost in working by way of overtime and special deliveries necessarily and reasonably incurred to

15.1 minimise or prevent further **damage**, or

15.2 to reinstate **damage**,

so as to avoid penalty providing **we**

15.2.1 have accepted a **claim** under the Contract Works section or would but for the application of the **excess**; and

15.2.2 shall not be liable to pay any amount in excess of fifty (50) per cent of the **claim** for the **damage** before deducting the **excess**.

Exclusion 3.2 shall not apply to this Standard Clause.

16 Waiver of recovery rights under the JCT Standard Form of Building Contract

If **you** are awarded a **contract** under the JCT Standard Form of Building Contract incorporating the 1986 Amendments to Insurance and Related Liability Provisions or their equivalent conditions, or superseding JCT contracts, then **we** agree that if **damage** occurs to the **contract works** by any of the specified perils defined in the **contract**, then as far as required by the **contract we** will not pursue any rights of recovery **we** may acquire against sub-contractors.

But, for this extension to apply, the sub-contractor must abide by the terms, conditions and restrictions of this Section and policy.

17. Heart Break Payment

In the event of a total loss to the property insured by this Section, within an anticipated four weeks of completion of the works **we** will pay to **you** a sum of GBP250.

EXCLUSIONS**1 Change in Water Table Level**

We will not pay for **damage** caused by changes in the water table level. However, **we** will pay for subsequent **damage** from any cause which is not otherwise excluded.

2 Completion or occupancy of the contract works

We will not pay for **damage** to the **contract works**:

- 2.1 for which a certificate of completion has been issued,
- 2.2 which occurs after completion and handover to **your principal**,
- 2.3 which occurs while the **contract works** are being used or occupied by **your principal**

but this restriction shall not exclude **damage** to the **contract works** which is not otherwise excluded that:

- 2.4 occurs during the **period of maintenance** but was caused before the start of the **period of maintenance**
- 2.5 **you** caused in the course of fulfilling **your** obligations under **your contract** conditions during the **period of maintenance**
- 2.6 occurs within 14 days after the issue of a certificate of completion but only to the extent that **you** may be responsible under the **contract** conditions.

3 Consequential loss

We will not pay for

- 3.1 liquidated damages, fines or penalties for delay or detention in connection with any guarantees of performance or efficiency, or
- 3.2 any other consequential loss,

except as specifically provided under any Standard Clause or schedule clause to this section.

4 Deliberate acts

We will not pay for **damage** arising from or caused by **your** deliberate act or deliberate neglect.

5 Design and workmanship

We will not pay for the costs of replacing, repairing or rectifying **damage** arising from or caused by defective or faulty

5.1 designs, plans or specifications,

5.2 workmanship,

5.3 materials or other property.

but this restriction will not apply to **damage** which occurs as a direct result to the rest of the **property insured** which is free of the defective condition.

6 Disappearance of property

We will not pay for **damage** that is revealed only during stocktaking or when an inventory is made unless **damage** can be traced to a specific event that has been notified under the terms of Claims Conditions 4 Notification of Claims and 5 Claims Procedure.

7 Normal upkeep

We will not pay for the costs relating to normal upkeep and normal making good.

8 Pollution or contamination damage

We will not pay for pollution or contamination except **damage** to **property insured** caused by:

8.1 pollution or contamination which itself results from a **defined peril**

8.2 a **defined peril** which itself results from pollution or contamination.

For the purpose of this Exclusion 8 **defined peril** means:

fire lightning explosion earthquake aircraft or other aerial device or articles dropped therefrom, riot civil commotion strikers locked out workers persons taking part in labour disturbances malicious persons other than thieves storm flood escape of water or oil from any tank or pipe sprinkler leakage theft or impact by any vehicle or animal.

9 Excluded property

We will not pay for **damage** to

9.1 aircraft, hovercraft or watercraft (except hand-propelled watercraft),

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- 9.2 buildings, other structures, their contents or other property existing at the start of **your contract** but this will not apply to property covered under Standard Clause 7 - Free issue materials,
- 9.3 plant, machinery, tools or equipment due to its own explosion, electrical or mechanical breakdown or failure or derangement including but not limited to overrunning, overheating or short circuiting,
- 9.4 any mechanically propelled motor vehicle, or its attached trailer which is:
 - 9.4.1 licensed for road use or for which insurance or security is required under Road Traffic law,
 - 9.4.2 more specifically insured under any other policy of insurance,
- 9.5 **money**,
- 9.6 deeds, manuscripts or documents of any kind
 - 9.6.1 property for which the **insured** are relieved of responsibility by the conditions of the **contract**,
 - 9.6.2 to property more specifically insured under any other policy of insurance or under the Property All Risks section to this policy.

10 Unattended property

We will not pay for **damage** caused by theft or any attempted theft to the following unattended property:

- 10.1 non-ferrous metals unless within a locked building, or a locked container, or locked portacabin or similar,
- 10.2 construction plant unless locked at all points of access and immobilised or sited within a locked building or locked compound, and all keys are removed to a place of safety,
- 10.3 other property valued GBP5,000 or more within a motor vehicle unless the motor vehicle is locked at all points of access and protected by an immobiliser or alarm which has been put into operation,
- 10.4 other property valued below GBP5,000 within a motor vehicle unless the motor vehicle is locked at all points of access,
- 10.5 other property while on the **contract** site after work has ceased for the day unless within a locked building, locked compound or a fully enclosed boundary fence.

11 War or Terrorism

damage resulting from or contributed to, by or in connection with, in whatever form, directly or indirectly, any act of **war** or **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss, nor will **we** have any liability for loss, **damage**, costs and expenses directly or indirectly caused by, contributed to by, resulting from, or arising

out of or in connection with any action controlling, preventing, suppressing, retaliating against or responding to any act of **war** or **terrorism**.

12 Wear and tear etc.

We will not pay for **damage** arising from or caused by:

- 12.1 wear and tear, wet or dry rot, mildew, dryness or dampness, rust, corrosion, insect, vermin, erosion, depreciation, gradual deterioration or obsolescence,
- 12.2 scratching or chipping of surfaces,
- 12.3 hardening or setting of materials due to delay in their use or application unless the delay unavoidably results from **damage** otherwise insured by this Section,
- 12.4 materials not being stored in accordance with conditions recommended by the manufacturer.

SECTION F

PROFESSIONAL INDEMNITY

This Section of the policy is on a claims made basis. It applies only to claims first made against **you** and notified to **us** during the **period of insurance**, unless stated otherwise.

DEFINITIONS to Section F

1 **Costs**

Costs means costs and expenses:

- 1.1 recoverable at law by any claimant from **you**,
- 1.2 incurred by **us** or by **you** with **our** consent,
- 1.3 incurred in providing legal representation at any coroner's inquest or other inquiry following any death,
- 1.4 incurred in proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty,

arising in connection with any occurrence for which a claim is or may be made under this Section.

2 **Excess**

Excess means the first amount that **you** must pay of each and every claim including **costs**.

3 **Limit of indemnity**

Limit of indemnity means the limit of indemnity on the schedule which will be the maximum amount **we** will pay (including **costs** and interest) in total for all claims notified to **us** during the **period of insurance**.

If more than one party makes a claim in respect of the same occurrence, **we** will not pay more than the limit of indemnity in respect of that occurrence.

4 **Specified professional activities**

Specified professional activities means the supply or performance by **you** as a professional of any:

- 4.1 design, plan or specification;
- 4.2 supervision of construction;
- 4.3 feasibility study;
- 4.4 technical information calculation;
- 4.5 surveying;
- 4.6 consultancy;
- 4.7 testing;
- 4.8 professional services as specified under **business** in the schedule;

undertaken only by or under the direction and direct control of a properly qualified person. A properly qualified person will mean personnel with appropriate professional qualifications or not less than five (5) years relevant experience for the specific professional activities in which they are engaged.

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PROFESSIONAL INDEMNITY

Specified professional activities do not include the supervision by **you** of **your** own or **your** sub-contractor's work where **your** supervision is undertaken solely in **your** capacity as Building or Engineering Contractor.

COVER

We agree to pay on **your** behalf, amounts payable by way of compensatory damages and **costs** for any claim for compensation first made against **you** during the **period of insurance** and notified to **us** in accordance with the terms of this section, in respect of liability for negligence:

- a) by **you** in the conduct and the carrying out of the **specified professional activities**;
- b) by **you** in the conduct and the carrying out of the **specified professional activities** arising from any negligence committed or alleged to have been committed by any consultant, sub-contractor or agent for whose acts, errors or omissions **you** are legally liable;

worldwide excluding **North America** and in connection with **your business**, and

- c) in respect of libel or slander by **you** in the conduct and the carrying out of the **specified professional activities**,

up to the **limit of indemnity** shown on the schedule.

STANDARD CLAUSES

The Section and policy Exclusions and Conditions apply to the Standard Clauses. The Standard Clauses do not increase the **limit of indemnity**, unless stated, or **our** maximum payment to **you**.

1 Dishonesty of employees

We will pay the damages or **costs** that **you** become legally responsible to pay as a result of any claim made against **you** during the **period of insurance** contributed to, or brought about by, any dishonest, fraudulent, criminal or malicious act or omission of an **employee**.

The term **employee** used in this extension will not include any director.

2 Infringement of copyright, patent or registered design

We will pay the damages or **costs** that **you** become legally responsible to pay at law as a result of any claim made against **you** during the **period of insurance** alleging infringement of copyright, patent or registered design committed in good faith by

2.1 **you**, or

2.2 **your employee**

in connection with the **business**.

3 Loss of documents

We will pay the damages or **costs** that **you** become legally responsible to pay at law as a result of loss of any documents necessary for the carrying out of any **specified professional activities**, whether owned by **you** or entrusted to **you**, which are, or supposed or believed to be, in

3.1 **your** possession, or

3.2 the possession of any other party with whom the documents have been entrusted, lodged or deposited by **you** within the **United Kingdom**,

that have been destroyed, damaged, lost or mislaid, and after diligent search cannot be found during the **period of insurance**.

We will also pay the expenses incurred by **you** with **our** written consent, in replacing or restoring the documents.

Standard Clause 3 Exclusions

We will not pay:

3.3 unless the claim for expenses is supported by bills or accounts approved by **us**,

3.4 if any claim is brought about by, or contributed to, by **your** dishonesty or that of a partner or **employee**,

3.5 unless **you**, after **our** payment of the claim, pass to **us** any rights of recovery that may exist,

3.6 any amount in excess of GBP100,000 in total for all claims during one period of insurance,

3.7 the first amount of GBP250 in respect of each and every claim under this extension,

3.8 if any claim is covered by Section E – Contract Works

4 Mitigation of a loss

We will pay the expenses **you** necessarily incur in respect of any action taken to mitigate a loss or a potential loss that otherwise would result in a claim under this section.

However, it will be for **you** to prove a claim under this extension and **you** must give **us** written notice during the **period of insurance** of **your** intention to take action that will incur the expenses.

5 Compensation for Court Attendance

We will pay compensation to **you**, with **our** prior written consent, in the event that the legal advisers acting on **your** behalf require **you**, **your employee** or any other relevant party (not including expert witnesses), to attend court or any arbitration or adjudication hearing as a witness of fact in connection with a claim made against **you** for which cover is afforded under this policy at the following rates for each day or part thereof on which attendance is required:

SECTION F

PROFESSIONAL INDEMNITY

5.1	any of your directors or principal partners	GBP500
5.2	any other employee	GBP250
5.3	any other relevant party	GBP250

EXCLUSIONS

- 1 Dishonest, malicious, criminal or deliberate illegal acts**
We will not pay damages, **costs** or expenses arising in connection with any dishonest, malicious, criminal or deliberate illegal acts **you** committed or illegal acts or omissions committed by others on **your** behalf except as provided for in Standard Clause 1.

- 2 Employee bodily injury**
We will not pay damages or **costs** in respect of **bodily injury** to an **employee** arising out of and in the course of their employment by **you** in **your business**.

- 3 Estimates of construction**
We will not pay damages or **costs** arising from **your** negligence in connection with the estimates of construction costs unless the estimates are compiled by professionally qualified quantity surveyors.

- 4 Excess – the amount you must pay per claim**
We will not pay the first GBP2,500 in respect of each and every claim for damages and **costs**.

- 5 Express warranty or guarantees and contractual liability**
We will not pay damages or **costs** directly or indirectly arising out of any express warranty or guarantee, or in any way involving contractual liability in respect of any:
 - 5.1 fitness for purpose warranty;
 - 5.2 indemnity, performance warranty or guarantee;
 - 5.3 penalty clause or liquidated damages clause;but only to the extent that such contractual liability is greater than the liability which would otherwise have arisen in the absence of the relevant contractual provision referred to in 5.1, 5.2 and 5.3 above.

- 6 Assignees of collateral warranty**
We will not pay damages or **costs** in respect of any claim or loss brought or maintained by or on behalf of any assignee (other than the first three) of the benefit of any collateral warranty or duty of care agreement entered into by **you** in favour of any party other than **your** own client.

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PROFESSIONAL INDEMNITY

7 **Insolvency**

We will not pay damages or **costs** arising from **your** insolvency.

8 **Insurance, finance or financial advice**

We will not pay damages or **costs** arising from **your** negligence in connection with:

- 8.1 the effecting or maintenance of insurance, or
- 8.2 the provision of finance or advice on financial matters.

9 **Known circumstances**

We will not pay damages or **costs** in connection with any claim or loss:

- 9.1 made, threatened or intimated against **you** prior to the **period of insurance**;
- 9.2 directly or indirectly arising out of, or in any way involving any fact or circumstance:
 - a) of which notice has been given, or ought reasonably to have been given, under any previous policy (whether insured by **us** or not); or
 - b) of which **you** first became aware prior to the **period of insurance** and which **you** knew or ought reasonably to have known had the potential to give rise to a claim or loss.

10 **North American jurisdiction**

We will not pay damages or **costs** arising from or in connection with:

- 10.1 any action or proceedings brought in, or
- 10.2 activities or operations undertaken in,

North America.

11 **Other insurances**

We will not pay damages or **costs** recoverable from any other insurance or in any other way.

12 **Property ownership, use, occupation or leasing**

We will not pay damages or **costs** arising from the ownership, use, occupation or leasing of property, whether mobile or immobile, by **you** or on **your** behalf.

13 **Retroactive date – negligence before the date**

We will not pay damages or **costs** in connection with a claim made against **you**, arising from any negligent acts or omissions which occurred before the retroactive date specified on the schedule.

14 Asbestos

We will not pay damages or **costs** for any loss, cost or expense directly or indirectly arising out of, resulting as a consequence of, or related to the manufacture of, mining of, processing of, use of, installation of, storage of, removal of, disposal of, distribution of, inspection of or testing of or exposure to asbestos, asbestos fibres, asbestos dust or asbestos containing materials but providing **our** liability does not exceed a **limit of indemnity** of GBP250,000 during any one **period of insurance** then this exclusion will not apply to liability arising from or caused by exposure to asbestos or asbestos containing materials during work that does not require a licence under the Control of Asbestos Regulations 2012.

15 E-Commerce

We will not pay damages or **costs**

15.1 arising from loss, alteration or impairment of, or damage to, information and / or data in electronic form

15.2 arising from malicious acts of any person carried out by electronic means

15.3 for defamation or harassment carried out by electronic means

but this Exclusion shall not apply in respect of **liability** for any:

15.3.1 ensuing accidental **bodily injury** (save for mental injury or mental disease); or

15.3.2 ensuing accidental **damage**; or

15.3.3 loss, alteration or impairment of, or damage to, information and/or data in electronic form arising solely from accidental extraneous physical **damage** to **electronic business equipment and computers**.

16 War and Terrorism

We will not pay damages or **costs** for all actual or alleged losses, liabilities, damages, injuries, defence costs or expense(s) directly or indirectly arising out of, contributed to or by, caused by, resulting from or in connection with **war**, riot, strikes, civil commotion or any act of **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence of the loss.

This Exclusion also excludes from coverage all actual or alleged losses, liabilities, damages, injuries, defence costs, **costs** or expenses directly or indirectly arising out of, contributed to or by, caused by, resulting from, or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to **war**, riot, strikes, civil commotion or any act of **terrorism**.

If **we** allege that by reason of this Exclusion any actual or alleged losses, liabilities, damages, injuries, defence costs, costs or expenses are not covered by this section the burden of proving the contrary shall be upon **you**.

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

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PROFESSIONAL INDEMNITY

17 Nuclear Risks

We will not pay damages or **costs** of whatsoever nature directly or indirectly caused by or contributed to by or arising from

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

18 Hazardous Activities

We will not pay damages or **costs** of whatsoever nature directly or indirectly caused by or arising from work:

- 18.1 at height where the drop exceeds sixteen (16) metres;
- 18.2 at a depth which exceeds three (3) metres below the ground;
- 18.3 undertaken by **you** or anyone else connected with the **business** on or at any premises or structures used in connection with the production, processing, transportation or storage of gas, oil, petrol or chemicals (other than retail garages, shops or offices);
- 18.4 undertaken by **you** or anyone else connected with the **business**:
 - 18.4.1 **offshore**
 - 18.4.2 on site located **airside**
 - 18.4.3 on or alongside railway tracks
 - 18.4.4 at any nuclear installation or establishment.

unless otherwise shown on the schedule.

19 Sub-Contractors Insurance Check

This section excludes liability arising from or caused by professional work, as defined by **Specified Professional Activities**, undertaken on **your** behalf in the course of the **business** by sub-contractors or consultants unless **you** have obtained evidence that all such sub-contractors or consultants hold and maintain their own Professional Indemnity Insurance that has a minimum **limit of indemnity** of not less than:

- 19.1 GBP100,000; or
- 19.2 the **limit of indemnity** specified in the schedule if that sum is greater than GBP100,000 but less than GBP1,000,000; but
- 19.3 GBP1,000,000 if the **limit of indemnity** specified in the schedule is greater than GBP1,000,000;

which **limit of indemnity** is defined as in the aggregate and costs and expenses inclusive, during the **period of insurance**.

COVER to Section G

We will indemnify **you** for **damage** to the property insured by Section C and consequential loss resulting therefrom insofar and to the extent that it is insured in Great Britain (meaning England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Seas Act 1987 nor the Isle of Man nor the Channel Islands) occasioned by or happening through or in consequence of any act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence provided that in any action, suit or other proceedings where **we** allege that any **damage**, costs and expenses are not covered by this insurance the burden of proving the contrary will be upon **you**.

STANDARD CLAUSES

1 **Cancellation**

We may cancel this Section G by giving **you** written notice at its address shown on the schedule cancelling this Section with effect from the seventh (7th) day after the notice has been served. Without prejudice to other forms of service, notice of cancellation is deemed to be served on the third (3rd) day after being posted if sent by pre-paid letter post properly addressed.

2 **Restricted terms**

The insurance by this Section G is subject otherwise to all the terms and conditions of Section C and this policy except that any

2.2 Long Term Undertaking;

2.3 terms which provide for adjustments of premium based upon declarations on expiry or during the **period of insurance**;

2.4 coverage in respect of **premises** to locations outside England and Wales and Scotland;

will not apply to losses covered under this Section G.

EXCLUSIONS

This section does not cover:

1. **Chemical biological or radioactive contamination**

Chemical biological or radioactive contamination defined as any loss whatsoever or any expenditure resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or its nuclear component thereof, ionising radiation or contamination by radioactivity or from the combustion of any radioactive material, chemical and/or biological and/or radiological irritants, contaminants or pollutants, in respect only of residential property houses and blocks of flats and other dwellings insured in the name of a private individual;

SECTION G TERRORISM

2. **War**

War and allied risks as defined as **war**, invasion, act of foreign enemy, hostilities (whether **war** be declared or not), civil **war**, rebellion, revolution, insurrection or military or usurped power;

3. **Digital or cyber risks**

Digital or cyber risks, that is any loss whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from **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 **your** property or not, where such **damage** is caused by **virus or similar mechanism, hacking or denial of service attack**, or consequential loss directly or indirectly caused by or arising from **virus or similar mechanism, hacking or denial of service attack**.

Our liability in respect of all losses arising out of any one occurrence and in the aggregate in any one **period of insurance** is limited to and will not exceed the sums insured or limits of liability otherwise specified in the policy.

DEFINITIONS to Section H

1 *Aspect enquiry*

Aspect enquiry means an examination by HM Revenue & Customs which considers one or more specific aspects of **your** self assessment and/or corporation tax return.

2 *Costs and expenses*

Costs and expenses means:

2.1 for *legal costs*:

all reasonable and necessary costs chargeable by the **representative** on a standard basis. Also the costs incurred by opponents in civil cases if an **insured person** has been ordered to pay them, or pays them with agreement from **DAS**;

2.2 for *accountant's costs*:

a reasonable amount in respect of all costs reasonably incurred by the **representative**;

2.3 for *attendance expenses*:

the **insured person's** salary or wages for the time that the **insured person** is off work to attend any arbitration, court or tribunal hearing at the request of the **representative** or while attending jury service. **DAS** will pay for each half or whole day that the court, tribunal or the **insured person's** employer will not pay for.

The amount **we** will pay is based on the following:

2.3.1 the time the **insured person** is off work including the time it takes to travel to and from the hearing. This will be calculated to the nearest half day assuming that a whole day is eight hours;

2.3.2 if the **insured person** works full time, the salary or wages for each whole day equals 1/250th of the **insured person's** yearly salary or wages;

2.3.3 if the **insured person** works part-time, the salary or wages will be a proportion of the **insured person's** weekly salary or wages.

3 *DAS*

DAS means DAS Legal Expenses Insurance Company Limited, whose Head Office and registered address is: DAS House, Quay Side, Temple Back, Bristol, BS1 6NH.

Home State: United Kingdom.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority: Registration Number 202106.

4 *Date of occurrence*

Date of occurrence means:

4.1 For civil cases (other than under **insured incident 5 - Tax Protection**), the date of occurrence is when the cause of action first accrued;

4.2 For criminal cases, the date of occurrence is when the **insured person** commenced or is alleged to have commenced to violate the criminal law in question;

4.3 For licence or registration appeals, the date of occurrence is when **you** first became aware of the proposal by the relevant licensing or regulatory authority to suspend, alter

SECTION H LEGAL EXPENSES

the terms of, refuse to renew or cancel **your** licence, mandatory registration or British Standard Certificate of Registration;

- 4.4 For **full enquiries** or **aspect enquiries**, the date of occurrence is when HM Revenue & Customs first notifies in writing the intention to make enquiries;
- 4.5 For **tax intervention enquiries**, the date of occurrence is when HM Revenue & Customs first contacts **you** in relation to commencing an intervention enquiry into **your business** accounts;
- 4.6 For Employers' Compliance and Value Added Tax disputes, the date of occurrence is when the relevant authority sends an assessment or written decision to **you**.

5 **Full enquiry**

Full enquiry means an extensive examination by HM Revenue & Customs which considers all aspects of **your** tax affairs, excluding those enquiries which are limited to one or more specific aspects of **your** self assessment and/or corporation tax return.

6 **Insured incident**

Insured incident means and refers to the cover set down at Standard clauses 1 – 7 and Optional clause 8 (if operative).

7 **Insured person**

Insured person means the **insured** and the directors, partners, managers and **employees** of the **insured**.

8 **Representative**

Representative means the lawyer, accountant or other suitably qualified person, who has been appointed to act for an **insured person** in accordance with the terms of this section.

9 **Tax intervention enquiry**

Tax intervention enquiry means an examination by HM Revenue & Customs to measure the level of compliance in **your** financial accounting records to highlight areas where errors have or may occur.

10 **Territorial limit**

Territorial limit means:

10.1 for **insured incident 4 - Bodily injury**:

The European Union, the Isle of Man, the Channel Islands, Albania, Andorra, Bosnia Herzegovina, Croatia, Gibraltar, Iceland, Liechtenstein, Macedonia, Monaco, Montenegro, Norway, San Marino, Serbia, Switzerland and Turkey.

10.2 for all other **insured incidents**:

The **United Kingdom**.

COVER

Cover under this Section has been arranged by **us** in conjunction with DAS Legal Expenses Company Limited. It will help if **you** keep the following points in mind:

How DAS can help

To make a claim under this Section please telephone **DAS** on 0117 933 0696. **DAS** will ask **you** about **your** legal dispute and if necessary call **you** back at an agreed time to give **you** legal advice. If **your** dispute needs to be dealt with as a claim under this section, **DAS** will provide **you** with a claim reference number.

At this point **DAS** will not be able to confirm that **you** are covered but will pass the information **you** have given to their claims handling teams and explain what to do next.

If **you** would prefer to report **your** claim in writing please send it to the Claims Department, DAS Legal Expenses Insurance Company Limited, DAS House, Quay Side, Temple Back, Bristol, BS1 6NH.

Alternatively, **you** can email **your** claim to newclaims@das.co.uk.

If you need help from DAS

You can phone **DAS** at any time on 0117 933 0696 for advice on any commercial, legal or tax problem affecting **your business**.

When DAS cannot help

Please do not ask for help from a solicitor or accountant before **DAS** have agreed. If **you** do, **DAS** will not pay the costs involved.

- 1 This Section will cover the **insured person** in respect of any **insured incident** arising in connection with the **business** shown in the schedule if the premium has been paid.
- 2 **DAS** agree to provide the insurance as described and defined by this Section as long as:
 - a) the **date of occurrence** of the **insured incident** happens during the **period of insurance** and within the **territorial limit**; and
 - b) any legal proceedings will be dealt with by a court, or other body which **DAS** agree to, in the **territorial limit**; and
 - c) in civil claims it is always more likely than not that an **insured person** will recover damages (or obtain any other legal remedy which **DAS** have agreed to) or make a successful defence.
- 3 For all **insured incidents**, **DAS** will help in appealing or defending an appeal as long as the **insured person** tells **DAS** within the time limits allowed that they want **DAS** to appeal. Before **DAS** pay any **costs and expenses** for appeals, **DAS** must agree that it is always more likely than not that the appeal will be successful.
- 4 If a **representative** is used, **DAS** will pay the **costs and expenses** incurred for this.
- 5 **DAS** will pay compensation awards that **DAS** have agreed to.
- 6 The maximum that **DAS** will pay for all claims resulting from one or more event arising at the same time or from the same originating cause is GBP100,000.

STANDARD CLAUSES (INSURED INCIDENTS)

1 Employment disputes and compensation awards

1.1 Employment disputes

DAS will defend **your** legal rights:

- a) prior to the issue of legal proceedings in a court or tribunal following the dismissal of an **employee**; or
- b) in the resolution of unfair dismissal disputes under the ACAS Arbitration Scheme; or
- c) in legal proceedings in respect of any dispute with:
 - i) an **employee** or ex-**employee** or a trade union acting on behalf of an **employee** or ex-**employee** which arises out of, or relates to, a contract of employment with **you**; or
 - ii) an **employee**, prospective **employee** or ex-**employee** arising from an alleged breach of their statutory rights under employment legislation.

1.2 Compensation awards

DAS will pay:

- a) any basic and compensatory award; and/or
- b) an order for compensation following a breach of **your** statutory duties under employment legislation;

in respect of a claim **DAS** have accepted under **insured incident 1.1**.

Provided that:

- a) in cases relating to performance and/or conduct, **you** have throughout the employment dispute either:
 - i) followed the ACAS Code of Disciplinary and Grievance Procedures as prepared by the Advisory Conciliation and Arbitration Service; or
 - ii) followed equivalent codes of practice issued by the Labour Relations Agency in Northern Ireland; or
 - iii) sought and followed advice from the **DAS** legal advice service.
- b) for an order of compensation following **your** breach of statutory duty under employment legislation **you** have at all times sought and followed advice from the **DAS** legal advice service since the date when **you** should have known about the employment dispute;
- c) for any compensation award for redundancy or alleged redundancy or unfair selection for redundancy, **you** have sought and followed advice from the **DAS** Claims Department prior to serving notice of redundancy;
- d) the compensation is awarded by a tribunal or through the ACAS Arbitration Scheme, under a judgment made after full argument and otherwise than by consent or default, or is payable under settlement approved in writing in advance by **DAS**;

SECTION H LEGAL EXPENSES

- e) the total of the compensation awards payable by **us** shall not exceed GBP1,000,000 in any one *period of insurance*.

1.3 Service occupancy

DAS will negotiate for **your** legal rights against an **employee** or ex-**employee** to recover possession of premises owned by, or for which **you** are responsible.

2 Statutory licence protection

DAS will represent **you** in appealing to the relevant statutory or regulatory authority, court, or tribunal following a decision by a licensing or regulatory authority to suspend, or alter the terms of, or refuse to renew, or cancel **your** licence, mandatory registration or British Standard Certificate of Registration.

3 Debt recovery

DAS will negotiate for **your** legal rights including enforcement of judgment to recover money and interest due from the sale or provision of goods or services.

Provided that:

- 3.1 the debt exceeds GBP250;
- 3.2 a claim for debt recovery under this Section is made within ninety (90) days of the money becoming due and payable;
- 3.3 **DAS** have the right to select the method of enforcement, or to forego enforcing judgment if **DAS** are not satisfied that there are, or will be, sufficient assets available to satisfy judgment.

4 Bodily injury

At **your** request, **DAS** will negotiate for an **insured person's** and their family members' legal rights following an event which causes the death of, or bodily injury to them.

5 Tax protection

5.1 Full or aspect enquiries

DAS will negotiate on **your** behalf in respect of a **full enquiry** and/or **aspect enquiry** and represent **you** in any subsequent appeal proceedings.

5.2 Employers' compliance

DAS will negotiate on **your** behalf and represent **you** in any appeal proceedings in respect of a dispute concerning **your** compliance with Pay As You Earn or Social Security Regulations following a review by HM Revenue & Customs.

5.3 Vat disputes

DAS will negotiate on **your** behalf and represent **you** in any appeal proceedings following an assessment issued by HM Revenue & Customs in respect of Value Added Tax due.

5.4 Tax intervention enquiries

DAS will negotiate on **your** behalf and represent **you** in respect of any dealings with HM Revenue & Customs in respect of a **tax intervention enquiry**

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Provided that:

- a) for all **insured incidents**, **you** have taken reasonable care to ensure that all returns are complete and correct and that such returns are submitted within the statutory time limits allowed;
- b) **DAS** will not pay more than GBP2,000 for claims in respect of **aspect enquiries** or **tax intervention enquiries**.

6 Legal Defence

At **your** request, **DAS** will defend the **insured person**'s legal rights:

- 6.1 prior to the issue of legal proceedings when dealing with the:
 - a) Police
 - b) Health & Safety Executive and/or Local Authority Health & Safety Enforcement Officer where it is alleged that the **insured person** has or may have committed a criminal offence; or
- 6.2 following an event which leads to the **insured person** being prosecuted in a court of criminal jurisdiction; or
- 6.3 if civil action is taken against the **insured person** for compensation under section 13 of the Data Protection Act 1998. **DAS** will also pay any compensation award made against the **insured person** under section 13 of the Data Protection Act 1998.

DAS will defend **your** legal rights following civil action taken against **you** for wrongful arrest in respect of an accusation of theft alleged to have been carried out during the **period of insurance**.

DAS will defend the **insured person**'s (other than **your**) legal rights if:

- a) an event arising from their work as an **employee** leads to civil action being taken against them under legislation for unlawful discrimination on the grounds of sex, sexual orientation, race, disability, age, religious belief or political opinion; or
- b) civil action is taken against them as a trustee of a pension fund set up for the benefit of **your employees**.

DAS will represent the **insured person** in appealing against the imposition or terms of any Statutory Notice issued under legislation affecting **your business**.

DAS will represent **you** in appealing against the refusal of the Information Commissioner to register **your** application for registration.

DAS will pay the **attendance expenses** of an **insured person** for jury service.

Provided that:

- a) In so far as proceedings under the Health & Safety at Work etc Act 1974 are concerned, the **territorial limit** shall be any place where the Act applies.
- b) At the time of the **insured incident**, **you** have registered with the Information Commissioner in respect of **insured incident** 6.3 above.

7 Property Protection

DAS will negotiate for **your** legal rights in any civil action relating to material property owned, hired or leased to **you**, following:

- 7.1 any event which causes physical damage to such material property; or
- 7.2 any nuisance or trespass.

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OPTIONAL ENDORSEMENT to Section H

The following clauses only apply where shown under optional endorsements on **your** schedule.

8 Contract Disputes

DAS will negotiate for **your** legal rights in a contractual dispute arising from that agreement or that alleged agreement which has been entered into by **you** or on **your** behalf for the purchase, hire, sale, or provision of goods or of services.

Provided that:

- a) the amount in dispute exceeds GBP250. If the amount in dispute exceeds GBP5,000 **you** will be responsible for the first GBP500 of **legal costs** in each and every claim.
- b) if the amount in dispute is payable in instalments, the instalments due and payable at the time of making the claim exceed GBP250.
- c) if the dispute relates to money owed to **you**, a claim under this Section is made within ninety (90) days of the money becoming due and payable.

EXCLUSIONS

This Section H excludes and does not cover:

1 In respect of Standard Clause 1.1 Employment disputes:

- a) any employment dispute where the cause of action arises within the first ninety (90) days of the indemnity provided by this Section;
- b) any dispute with an **employee** who was subject to a written or oral warning (formal or informal) within one hundred and eighty (180) days immediately preceding the inception date of the indemnity provided by this Section if the **date of occurrence** was within the first one hundred and eighty (180) days of the indemnity provided by this Section;
- c) any redundancy or alleged redundancy or unfair selection for redundancy arising within the first one hundred and eighty (180) days of the indemnity provided by this Section;
- d) any claim in respect of damages for personal injury or loss of or damage to property;
- e) any claim arising from or relating to any transfer of business which falls within the scope of the Transfer of Undertakings (Protection of Employment) Regulations 2006 or the Transfer of Employment (Pension Protection) Regulations 2005.

2 In respect of Standard Clause 1.2 Compensation awards:

- a) any compensation award relating to the following:
 - i) trade union activities, trade union membership or non-membership;
 - ii) pregnancy or maternity rights;
 - iii) health and safety related dismissals brought under section 44 of the Employment Rights Act 1996;
 - iv) statutory rights in relation to trustees of occupational pension schemes;

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- v) statutory rights in relation to Sunday shop and betting work.
- b) non-payment of money due under the relevant contract of employment or statutory provision relating thereto;
- c) any award ordered because **you** have failed to provide relevant records to **employees** under the National Minimum Wage laws;
- d) any compensation award or increase in compensation award ordered by the tribunal for failure to comply with a recommendation it has made, including non-compliance with a reinstatement or re-engagement order.

3 In respect of Standard Clause 1.3 Service occupancy:

any claim relating to defending **your** legal rights other than defending a counter-claim.

4 In respect of Standard Clause 2 Statutory licence protection:

- a) an original application or application for renewal of a statutory licence, mandatory registration or British Standard Certificate of Registration;
- b) any licence appeal relating to the ownership, driving or use of a motor vehicle.

5 In respect of Standard Clause 3 debt recovery:

- a) any debt arising from an agreement entered into prior to the inception date of the indemnity provided by this Section if the debt is due within the first ninety (90) days of the indemnity provided by this Section;
- b) any claim relating to the following:
 - i) the settlement payable under an insurance policy;
 - ii) a lease, licence or tenancy of land or buildings;
 - iii) a loan, mortgage, pension or any other financial product and choses in action;
 - iv) a motor vehicle owned by, or hired or leased to, **you**.
- c) a dispute which arises out of the supply, hire, sale or provision of computer hardware, software, systems or services;
- d) the recovery of money and interest due from another party where the other party intimates that a defence exists.

6 In respect of Standard Clause 4 Bodily injury any claim relating to the following:

- a) any illness or bodily injury which develops gradually or is not caused by a specific or sudden accident; or
- b) defending an **insured person's** or their family members' legal rights other than in defending a counter-claim; or
- c) a motor vehicle owned or used by, or hired or leased to an **insured person** or their family members.

7 In respect of Standard Clause 5 Tax protection:

- a) in respect of **aspect enquiries** and **tax intervention enquiries** the first GBP200 of **costs and expenses** in each and every claim;
- b) any **insured incident** arising from a tax avoidance scheme;
- c) any **insured incident** caused by **your** failure to register for Value Added Tax;

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- d) any **insured incident** arising from any investigation or enquiries undertaken by HM Revenue & Customs Special Investigations Section or Special Civil Investigations or the Revenue & Customs Prosecution Office;
- e) any **insured incident** arising from any investigation or enquiry by HM Revenue & Customs into alleged dishonesty or alleged criminal offences.

8 In respect of Standard Clause 6 Legal defence:

any claim which leads to the **insured person** being prosecuted for infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.

9 In respect of Standard Clause 7 Property protection:

- a) any claim relating to the following:
- b) a contract entered into by **you**;
- c) goods in transit or goods lent or hired out;
- d) goods at premises other than those occupied by **you** unless the goods are at such premises for the purpose of installations or use in work to be carried out by **you**.
- e) mining subsidence;
- f) defending **your** legal rights other than in defending a counter-claim;
- g) a motor vehicle owned or used by, or hired or leased to an **insured person**.

10 In respect of Standard Clause 8 Contract disputes:

- a) any dispute arising from an agreement entered into prior to the inception date of the indemnity provided by this Section if the **date of occurrence** is within the first ninety (90) days of the indemnity provided by this Section.
- b) any claim relating to the following:
 - i) the settlement payable under an insurance policy;
 - ii) a lease, licence or tenancy of land or buildings other than a dispute with a professional adviser in connection with the drafting of a lease, licence or tenancy agreement;
 - iii) loan, mortgage, pension or any other financial product and choses in action;
 - iv) a motor vehicle owned by, or hired or leased to **you**.
- c) a dispute with an **employee** or ex-**employee** which arises out of, or relates to, a contract of employment with **you**.
- d) a dispute which arises out of the:
 - i) sale or provision of computer hardware, software, systems or services; or
 - ii) the purchase or hire of computer hardware, software, systems or services tailored by a supplier to **your** own specification.
- e) a dispute arising from a breach or alleged breach of professional duty by an **insured person**.

SECTION H LEGAL EXPENSES

- f) the recovery of money and interest due from another party other than disputes where the other party intimates that a defence exists.

11 In respect of section H:

- 11.1 any claim reported to **DAS** more than one hundred and eighty (180) days after the date the **insured person** should have known about the insured incident;
- 11.2 any **costs and expenses** incurred before the written acceptance of a claim by **DAS**;
- 11.3 fines, penalties, compensation or damages which the **insured person** is ordered to pay by a court or other authority other than compensation awards as covered under **insured incident 1.2 Compensation awards** and **insured incident 6 Legal defence**;
- 11.4 any claim relating to patents, copyrights, trademarks, merchandise marks, registered designs, intellectual property, secrecy and confidentiality agreements;
- 11.5 any claim relating to franchise or agency agreement entered into by **you**;
- 11.6 any **insured incident** deliberately or intentionally caused by an **insured person**;
- 11.7 a dispute with **us** or **DAS** not otherwise dealt with under Condition 7 of this Section;
- 11.8 any claim relating to a shareholding or partnership share in the **insured** unless such shareholding was acquired under a scheme open to all **your employees** or a substantial number of them of a certain minimum grade other than **your** directors or partners;
- 11.9 judicial review;
- 11.10 Any claim caused by, contributed to by or arising from:
- a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste burning nuclear fuel;
 - b) the radioactive, toxic, explosive, or other hazardous properties of any explosive nuclear assembly or nuclear part of it;
 - c) war, invasion, foreign enemy hostilities (whether war is declared or not), civil war, rebellion, revolution, military force or coup;
 - d) pressure waves caused by aircraft or any other airborne devices travelling at sonic or supersonic speeds.
- 11.11 legal action an **insured person** takes which **DAS** or the **representative** have not agreed to or where the **insured person** does anything that hinders **DAS** or the **representative**;
- 11.12 when either at the commencement of or during the course of a claim, the **insured** is bankrupt or has filed a bankruptcy petition or winding-up petition, or has made an arrangement with its creditors, or has entered into a deed of arrangement or is in liquidation or part or all of its affairs or property are in the care or control of a receiver or administrator;
- 11.13 any claim relating to any non-contracting party's right to enforce all or any part of this policy. The Contracts (Rights of Third Parties) Act 1999 does not apply to this Section.
- 11.14 any claim directly or indirectly caused by or resulting from any device failing to recognise, interpret, or process any date as its true calendar date.

CONDITIONS

- 1 An **insured person** must:
 - a) keep to the terms and conditions of this Section;
 - b) notify **DAS** immediately of any alteration which may materially affect their assessment of the risk;
 - c) take reasonable steps to keep any amount that **DAS** have to pay as low as possible;
 - d) try to prevent anything happening that may cause a claim;
 - e) send everything **DAS** ask for, in writing;
 - f) give **DAS** full details of any claim as soon as possible and give them any information that they need.
- 2
 - a) **DAS** can take over and conduct in the name of the **insured person**, any claim or legal proceedings at any time.
 - b) **DAS** can negotiate any claim on behalf of an **insured person**.
 - c) **DAS** will choose the **representative** to represent an **insured person** in any proceedings where **DAS** may be liable to pay a compensation award. In any other case an **insured person** is free to choose a **representative** (by sending **DAS** a suitably qualified person's name and address) if:
 - i) **DAS** agree to start legal proceedings and it becomes necessary for a lawyer to represent the interest of an **insured person** in those proceedings; or
 - ii) there is a conflict of interest.
 - d) Before an **insured person** chooses a lawyer or an accountant, **DAS** can appoint a **representative**.
 - e) Any **representative** will be appointed by **DAS** and will represent an **insured person** according to **DAS**'s standard terms of appointment (which may include a „no win, no fee“ agreement). The **representative** must co-operate fully with **DAS** at all times.
 - f) **DAS** will have direct contact with the **representative**.
 - g) An **insured person** must co-operate fully with **DAS** and with the **representative** and must keep **DAS** up-to-date with the progress of the claim.
 - h) An **insured person** must give the **representative** any instructions that **DAS** require.
- 3
 - a) An **insured person** must tell **DAS** if anyone offers to settle a claim and must not agree to any settlement without written consent from **DAS**.
 - b) If an **insured person** does not accept a reasonable offer to settle a claim, **DAS** may refuse to pay further *costs and expenses*.

SECTION H

LEGAL EXPENSES

- c) **DAS** may decide to pay the **insured person** the amount of damages that the **insured person** is claiming or is being claimed against them instead of starting or continuing legal proceedings.
- 4 a) If **DAS** ask, an **insured person** must tell the **representative** to have **costs and expenses** taxed, assessed or audited.
- b) An **insured person** must take every step to recover **costs and expenses** that **DAS** have to pay and must pay **DAS** any **costs and expenses** that are recovered.
- 5 If a **representative** refuses to continue acting for an **insured person** with good reason or if an **insured person** dismisses a **representative** without good reason, the cover that **DAS** provide will end at once, unless **DAS** agree to appoint another **representative**.
- 6 If an **insured person** settles a claim or withdraws their claim without the agreement of **DAS**, or does not give suitable instructions to a **representative**, the cover that **DAS** provide will end at once and **DAS** will be entitled to re-claim any **costs and expenses** paid by them.
- 7 If there is a disagreement about the way **DAS** handle a claim that is not resolved through the **DAS** internal complaints procedure, **DAS** and the **insured person** can choose a suitably qualified person to arbitrate. **DAS** and the **insured person** must both agree to the choice of this person in writing. Failing this, **DAS** will ask the president of a national association relevant to the arbitration to choose a suitably qualified person. All costs of resolving the matter must be paid by the party whose argument is rejected. If the decision is not clearly made against either party, the arbitrator will decide how the costs are shared.
- 8 **DAS** may at their discretion require **you** to obtain an opinion from counsel at **your** expense as to the merits of a claim or proceedings. If counsel's opinion indicates that there are reasonable grounds for the pursuit or defence of a claim or proceedings, the cost of obtaining the opinion will be paid by **DAS**.
- 9 All Acts of Parliament within this wording for this Section shall include equivalent legislation in Scotland, Northern Ireland, the Isle of Man or the Channel Islands as the case may be.
- 10 **DAS** will not pay any claim covered under any other policy, or any claim that would have been covered by any other policy if this Section did not exist.

HELPLINE SERVICES

DAS provide these services 24 hours a day, 7 days a week during the **period of insurance**. To help **DAS** check and improve service standards, **DAS** record all calls.

Eurolaw Commercial Legal Advice

DAS will give **you** confidential legal advice over the phone on any commercial legal problem affecting the **business**, under the laws of the member countries of the European Union, the Isle of Man, the Channel Islands, Switzerland and Norway.

Tax Advice

DAS will give **you** confidential advice over the phone on any tax matters affecting the **business**, under the laws of the **United Kingdom**.

Business Assistance

In the event of an unforeseen emergency affecting **your premises** which causes damage or potential danger, **DAS** will contact a suitable repairer or contractor and arrange assistance on **your** behalf. All costs of assistance provided are **your** responsibility.

To contact the above services, phone DAS on 0117 933 0696 quoting your policy number.

Counselling

DAS will provide all **your employees** (including any members of their immediate family who permanently live with them) with a confidential counselling service over the phone including, where appropriate, onward referral to relevant voluntary and/or professional services.

To contact the counselling helpline, phone DAS on 0117 934 2121. These calls are not recorded.

DAS will not accept responsibility if the Helpline Services fail for reasons DAS cannot control. Please do not phone DAS to report a general insurance claim.

The Employment Manual

The online Employment Manual facility offers comprehensive guidance on rapidly changing employment law. To view this, please visit the **DAS** website at www.das.co.uk. From the Home Page click on the Employment Manual icon. All the sections of this web-based document can be printed off for **your** own use. Contact **DAS** at employmentmanual@das.co.uk with **your** email address, quoting **your** policy number and **DAS** will contact **you** by email to inform **you** of future updates to the information.

DASBusinessLaw

At www.dasbusinesslaw.co.uk **you** will find a wide range of letters, articles and reference information, as well as interactive document builders, designed to help **you** run your business.

The service also provides useful tools and information on matters such as new legislation, employment issues, property law and taxation all regularly updated by legal experts to help **you** keep your business one step ahead.

Access the DASBusinessLaw website at www.dasbusinesslaw.co.uk. Please insert your QBE policy number prefixed by „QBE“. The password is DAS472301.

Customer Satisfaction

DAS will always try to give **you** a quality service. If **you** think **DAS** have let **you** down, please write to:

Customer Relations Department
DAS Legal Expenses Insurance Company Limited
DAS House
Quay Side
Temple Back
Bristol
BS1 6NH

Alternatively you can telephone **DAS** on 0117 934 0066 or email at customerrelations@das.co.uk.

Details of the **DAS** internal complaint handling procedures are available on request.

This Section of the policy is on a claims made basis. It applies only to claims first made against the *insured* and notified to *us* during the *period of insurance*, unless stated otherwise.

DEFINITIONS to Section I

1 Circumstance

Circumstance means an incident, occurrence, dispute, fact, matter, act or omission that is likely to give rise to a *claim* or claim under this Section.

2 Claim

Claim means:

2.1 any legal, administrative or regulatory proceeding, whether civil or criminal, commenced against an *insured person* alleging that he has committed a *wrongful act*, or

2.2 any written or verbal communication received by an *insured person* or *company* alleging an *insured person* has committed a *wrongful act* indicating an intention to claim against such *insured person* or to complain about him in respect of such *wrongful act* to a legal, administrative or regulatory authority; or

2.3 any written notice served on an *insured person* requiring the *insured person* to attend an interview or provide documentation or otherwise co-operate in an administrative or regulatory investigation, where the investigation directly concerns the conduct of the *insured person* (acting in his capacity as an *insured person*) or of the affairs of the *company*.

3 Company

Company means the *insured* as stated in the schedule and shall include all its *subsidiary companies*.

4 Continuous cover date

Continuous cover date means the date stated as such in the schedule.

5 Defence costs and expenses

Defence costs and expenses means all reasonable and necessary legal costs, charges, fees, expenses and advances in respect of the same (other than salaries, commissions, expenses or other benefits of *insured persons*) including costs directly attributable to witness attendance and any premiums paid for insurance instruments or for bonds which are required in order to defend proceedings, institute an appeal or be released on bail but without any obligation to furnish or procure such insurance instruments or bonds.

6 Director or officer

Director or officer means a director or officer of the *company*.

7 Employment practice

Employment practice means:

7.1 discrimination with respect to the terms or conditions of employment on the basis of an individual's race, colour, religion, age, sex, national origin, disability, pregnancy, sexual orientation or preference or other status protected under applicable law; or

SECTION I

DIRECTORS AND OFFICERS LIABILITY

- 7.2 sexual harassment, including unwelcome sexual advances, requests for sexual favours, and any unwelcome verbal, visual or physical contact of a sexual nature which:
- 7.2.1 is explicitly or implicitly made a term or condition of employment;
 - 7.2.2 creates a hostile or offensive working environment;
 - 7.2.3 when rejected or opposed by a person becomes a basis for decisions regarding that person's employment; or
- 7.3 defamation relating to a person's job skill, job performance, qualifications for employment, professional reputation, disciplinary history, or termination of employment; or
- 7.4 unfair or wrongful termination of employment or refusal to hire; or
- 7.5 adverse change in the terms and conditions of a person's employment in retaliation for that person's exercise of his or her rights under law, or support of the rights of another.

8 Extradition proceedings

Extradition proceedings means a request for extradition of an **insured person**, a warrant for arrest in respect of an **insured person** or other proceedings under the provisions of the Extradition Act 2003 in the United Kingdom or similar legislation in any other jurisdiction.

9 Independent lawyer

Independent lawyer means:

- 9.1 where the **claim** is in England, a Queen's Counsel agreed upon by the **insured person** or the **company** and **us** or failing such agreement to be nominated by the chairman for the time being of the Bar Council of England and Wales; or
- 9.2 where the **claim** is in another jurisdiction, a lawyer of more than ten (10) years experience agreed upon by the **insured person** or the **company** and **us** or failing such agreement to be nominated by the chairman of the local law society.

10 Insured

Insured means the **company** and the **insured person**.

11 Insured person

Insured person means:

- 11.1 any natural person who is, was or during the **period of insurance** becomes a **director or officer** including **non-executive directors**;
- 11.2 the **director's or officer's** estate, heirs, legal representatives or assigns, in the event of his death or incompetence or bankruptcy, but only for a **wrongful act** or conduct performed by that **director or officer** in their capacity as such;
- 11.3 the lawful spouse of any **director or officer** provided that the **claim** is to enforce a judgment against that **director or officer** for a **wrongful act** or conduct performed in their capacity as such;
- 11.4 any employee of the **company**

SECTION I

DIRECTORS AND OFFICERS LIABILITY

- 11.4.1 whilst acting in a managerial or supervisory capacity;
- 11.4.2 named as a co-defendant with a **director or officer** of a **company** in a **claim** in which the employee is alleged to have participated or assisted in the commission of a **wrongful act**;
- 11.5 any natural person acting as a shadow director of the **company** as defined in Section 741 of the Companies Act 1985.

12 Non-executive director

Non-executive director means any natural person who serves as a non-executive **director or officer**.

13 Pollutant

Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapour, soot, fumes, acids, alkalis, chemicals or waste. Waste is deemed to include materials to be recycled, reconditioned or reclaimed. Legionella bacteria are deemed not to be pollutants for the purpose of this insurance.

14 Pollution

Pollution means:

- 14.1 the actual, alleged or threatened discharge, seepage, migration, dispersal, release or escape of **pollutants** at any time;
- 14.2 any cost, expense, claim or **suit** arising out of any request, demand or order as a result of actual, alleged or threatened discharge, seepage, migration, dispersal, release or escape of **pollutants** at any time that **you** test for, monitor, clean up, remove, contain, treat, detoxify, or neutralise or in any way respond to, or assess the effects of **pollutants**.

15 Stock offering

Stock offering means the public offer of any of the **company's** own securities (including but not limited to any bond, stock, note, debenture, share or other equity or debt security).

16 Subsidiary company

Subsidiary company means:

- 16.1 any company in respect of which the **company** (either directly or indirectly through one or more of its subsidiary companies):
 - 16.1.1 controls the composition of the board of directors; or
 - 16.1.2 controls more than half the voting power at a general meeting of shareholders; or
 - 16.1.3 holds more than half of the issued share capital (regardless of class of share);
- 16.2 any company as defined above (other than any company part of whose issued share capital is offered to the public or otherwise traded on a recognised exchange in the United States of America) which is acquired or created on or subsequent to the inception date of this Section and of which the total assets do not exceed twenty per

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DIRECTORS AND OFFICERS LIABILITY

cent (20%) of the **company's** consolidated total assets as declared in their latest annual report and account;

- 16.3 any other company that **we** have given prior written consent to for its inclusion as a subsidiary company under this Section.

17 Take-over or merger

Take-over or merger means:

- 17.1 any sale of the majority of the issued share capital of the **company**; or
- 17.2 the **company's** merger with or acquisition by another entity such that the **company** is not the surviving entity and no longer:
- 17.2.1 controls the composition of the board of directors; or
- 17.2.2 controls more than half the voting power; or
- 17.2.3 holds more than half of the issued share capital.

Except that this definition shall not apply if any sale of shares in the **company** solely alters the status of the **company** from that of a private company to that of a public company or vice versa.

18 Territorial limits

Worldwide excluding **North America**.

19 Wrongful act

Wrongful act means any actual or alleged wrongful act or omission committed by the **insured person** solely in his capacity as an **insured person** including any:

- 19.1 misstatement;
- 19.2 misrepresentation;
- 19.3 breach of trust;
- 19.4 breach of duty;
- 19.5 breach of warranty of authority;
- 19.6 libel or slander;
- 19.7 **employment practice**.

COVER

1 Directors' and Officers' liability

We agree, subject to the terms, conditions, limitations and exclusions of this Section, to pay on behalf of an **insured person** in respect of his liability for:

- a) compensatory damages and costs awarded against such **insured person** by a court or tribunal empowered to do so; or
- b) exemplary or aggravated damages for libel and slander awarded against such **insured person** by a court or tribunal empowered to do so; or
- c) multiple, exemplary or punitive damages (provided these are in addition to compensatory damages and not a form of tax, fine or similar penalty) awarded by a court or tribunal, if indemnity for this is lawful under the laws of the territory of that court or tribunal; or
- d) settlements comprising any actual or anticipated legal proceedings made with the **insurer's** prior written consent (such consent not to be unreasonably withheld);

arising solely from a **claim** first made during the **period of insurance**, except to the extent that the **company** has indemnified the **insured person** in respect of that **claim**.

2 Company reimbursement

We agree, subject to the terms, conditions, limitations and exclusions of this Section, to indemnify the **company**, to the extent it has lawfully indemnified an **insured person** for a **claim** otherwise insured under Cover clause 1 of this insured Section I.

It is a condition precedent to **our** liability that where cover is provided for this Section I **you** have complied with any subjectivities or condition precedents set out in **our** quotation, unless **we** agree in writing and endorsed to the schedule that any such subjectivity or condition precedent shall not be applicable to the **insured**.

STANDARD CLAUSES

1 Defence costs and expenses

In respect of **claims** covered by Section I **we** also agree, subject to the terms, conditions, limitations and exclusions of this policy, to pay **defence costs and expenses** which are incurred by an **insured person** with **our** prior written consent in the:

- 1.1 defence, negotiation and settlement of any **claim**;
- 1.2 defence of **extradition proceedings** commenced in respect of a **claim**.

2 Advancement of defence costs and expenses

In respect of any **claim** covered by this Section, **we** will advance **defence costs and expenses** prior to the final settlement of a **claim**. Such advance payments of **defence costs and expenses** shall be:

- 2.1 part of and not exceed the limit of indemnity; and

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DIRECTORS AND OFFICERS LIABILITY

2.2 repayable to **us** by the **insured persons** or the **company** severally according to their respective interests in the event and to the extent that it is determined that they were not entitled under this Section to payment of such **defence costs and expenses**.

3 Assignment

Assignment of interest under this policy will not bind **us** unless and until **our** written consent is endorsed on this **policy**.

4 Limit of indemnity

4.1 The amount stated in the schedule as the limit of indemnity is the maximum payable by **us** under this Section in respect of any one **claim** and in the aggregate during the **period of insurance** irrespective of the number of:

4.1.1 **claims** made, or

4.1.2 **insureds** entitled to indemnity, or

4.1.3 **wrongful acts**, or

4.1.4 Sections or covers within the Sections under which claims are made under this Section.

4.2 The limit of indemnity shall be inclusive of all **defence costs and expenses**.

4.3 Any sub-limit of indemnity stated in the schedule shall be part of and not in addition to the limit of indemnity.

5 Manslaughter defence costs and expenses

The **insurer** will, with its prior consent which consent will not be unreasonably withheld, indemnify an **insured person** in respect of **defence costs and expenses** incurred in defending allegations (whether under common law or statute) of manslaughter, corporate manslaughter or corporate homicide made against such **insured person**; and provided that the **claim** is first made during the **period of insurance**.

6 Multiple claims

6.1 All causally connected or interrelated **wrongful acts**, or conduct (as described in Definitions clause 18 of this Section I), jointly constitute a single **wrongful act**, or conduct, under this Section.

6.2 Where a single **wrongful act**, or conduct, gives rise to more than one **claim**, all such **claims** jointly constitute one **claim** under this Section.

7 Notice

Notice given by or to one **insured** shall constitute notice by or to all **insured**.

8 Other insurance

If there is any other valid and collectible insurance that is available to a party able to claim under this policy in respect of a **claim**, other than insurance that is specifically stated to be in excess of, and names **you** for the insurance by that policy, then the insurance afforded by this Section will be in excess of and will not contribute to such other insurance.

9 Pollution

Clause 1 extended to pay on behalf of an **insured person** in respect of his liability for:

9.1 any **claim** brought by the **company's** shareholders (without any procurement or instigation by any **insured person** or agent of the **company**) on the basis solely that **pollution** has caused a loss in the value of the share capital of the **company**; or

9.2 **defence costs and expenses** incurred in defending a **claim**

providing that any **claim** is brought in a member state of the European Union and that our liability under this Standard Clause 8 does not exceed GBP25,000 including **defence costs and expenses**.

10 Severability

10.1 The proposal shall be construed as a separate application for insurance under this Section by each **insured**. No statements in the proposal or knowledge possessed by an **insured person** shall be imputed to any other **insured person**.

10.2 For the purpose of determining the applicability of the exclusions and limitations in this Section, the act or knowledge of an **insured person** shall not be imputed to any other **insured person**.

11 Territory and legal actions

This Section applies to **claims** made, based upon acts occurring anywhere within the **territorial limits**.

EXCLUSIONS

This Section does not cover and excludes **claims**:

1 Bodily injury or property damage

for actual or alleged bodily or psychological injury, sickness, disease or death of any person or damage to or destruction of any tangible property, including loss of use thereof, except that this exclusion does not apply to emotional distress or mental anguish brought as part of a **claim** arising out of any **employment practice**;

2 Dishonesty

directly or indirectly arising out of any actual dishonest, fraudulent, or malicious act of any **insured person** except that this exclusion only applies if it is established through a final adjudication or admission that the relevant conduct did in fact occur;

3 Existing claims

3.1 notified or arising out of facts or any circumstance notified (or which ought to have been notified) under any previous policy;

3.2 made, threatened or intimated against the **insured** prior to the commencement of the period of insurance;

3.3 directly or indirectly arising out of facts or a circumstance of which the **insured** first became aware prior to the **period of insurance**, and which the **insured** knew or ought reasonably to have known had the potential to give rise to a claim under this policy;

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DIRECTORS AND OFFICERS LIABILITY

3.4 arising out of a circumstance noted on the proposal form for the current period of insurance or on any previous proposal form.

4 Insured vs. Insured

made by or on behalf of the **company** or by or on behalf of any **insured person** against any other **insured person**;

except that this exclusion does not apply to any **claim** against an **insured person**:

4.1 brought by or at the direction of any liquidator, provisional liquidator, administrator or receiver of the **company**;

4.2 made by a former **director or officer**;

4.3 for indemnity in respect of a **claim** made by an independent third party without the procurement or instigation of any **insured person** or agent of the **company**;

4.4 in the form of a derivative action; or

4.5 where the **insured person** is a former **director or officer**; or

4.6 in respect of **defence costs and expenses**;

5 Non-covered acts

directly or indirectly arising out of **wrongful acts** committed (or alleged to have been committed) or conduct (as described in Definitions clause 2.3 of this Section I):

5.1 after the date of commencement of the winding up of, or the appointment of a receiver, administrative receiver, liquidator or administrator to the **company**;

5.2 after the date of a **take-over or merger**; or

5.3 prior to the date of acquisition by the **company** of a **subsidiary company**;
but only as regards acts committed in the capacity as a **director or officer** of such **company** unless otherwise agreed by **us**;

6 North America

in the form of any kind of legal (including arbitration) or regulatory proceedings brought in **North America** or outside of **North America** to seek enforcement or upholding of a judgement, award or order made in **North America**.

7 Pension schemes

for any actual or alleged breach of duty by any **insured person** as a trustee of any pension or superannuation scheme, health and welfare plan, share option scheme or plan, or other employee benefit programme, social benefits system or trust programme established or maintained for the benefit of the **company's** employees including, for the avoidance of any doubt, any claims under the UK Pensions Act 1995, or similar legislative, common or civil law provisions in the same or other jurisdictions;

8 Personal profit

directly or indirectly arising out of any **insured person** gaining any actual profit or advantage or receiving any remuneration to which they are not legally entitled except that this exclusion only applies if it is established through a final adjudication or admission that the relevant conduct did in fact occur;

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DIRECTORS AND OFFICERS LIABILITY

9 Pollution

directly or indirectly arising out of any **pollution** except as provided by Standard Clause 8.

10 Prior / pending litigation

directly or indirectly arising out of the circumstances underlying any **claim** or any legal, administrative or regulatory proceedings against the **insured** first made or commenced prior to the **continuous cover date**;

11 Professional services

for any actual or alleged breach of any professional services by any **insured person** except that this exclusion does not apply to any **claims** alleging a failure to supervise any employee of the **company**;

12 Stock offerings during period of insurance

12.1 directly or indirectly arising out of a **stock offering** during the **period of insurance** unless otherwise agreed by **us**; or

12.2 brought by or on behalf of any shareholder who owns directly or beneficially more than fifteen per cent (15%) of the issued share capital of the **company** except that this exclusion shall only apply to **claims** where such shareholder or shareholder's representative directly or indirectly has participated in or ratified the alleged **wrongful act** being the subject of the **claim**;

13 Uninsurable matters

directly or indirectly arising out of matters which are uninsurable under the laws of any territory within the jurisdiction of this policy.

DEFINITIONS to section J

1 *Theft*

For this Section J only, theft shall mean and be deemed to include any act of fraud or dishonesty by any **employee** committed with the clear intent of obtaining an improper financial gain for themselves or for any other person or organisation intended by the **employee** to receive such gain other than salaries, fees, commission or other **employee** benefit earned in the normal course of employment.

COVER

We will indemnify **you** for:

- 1 loss of **money** or goods belonging to **you** or for which **you** are legally responsible caused by an act of **theft** committed during the **period of insurance** by an **employee** normally resident within the **United Kingdom** and discovered not later than three (3) months after the termination of:
 - 1.1 this insurance;
 - 1.2 the insurance in respect of an **employee** specified by name or position;
 - 1.3 the employment of any **employee**;whichever occurs first.
- 2 auditors fees incurred with our written consent solely to substantiate the amount of the claim.
- 3 the reasonable cost of re-writing or amending the software programmes or systems where such re-writing or amending is necessary to correct the programmes or amend the security codes following the fraudulent use of computer hardware or software programmes or computer systems the subject of a claim for which liability is admitted under this policy.

STANDARD CLAUSES

1 *Theft*

- 1.1 Immediately following the discovery by **you** of any act of **theft** by an **employee** all indemnity for further acts of **theft** by that **employee** shall cease.
- 1.2 Any **money** of the **employee** in **your** hands upon discovery of any loss and any **money** which but for the **employee's theft** would have been due to the **employee** from **you** shall be deducted from the amount of the loss before a claim is made under this insurance.
- 1.3 Any further **monies** which are recovered less any costs incurred in recovery shall accrue
 - 1.3.1 in the event that **your** claim has exceeded the limit of liability firstly to **your** benefit to reduce or extinguish the amount of **your** loss (but not the **excess**); then
 - 1.3.2 to **our** benefit to the extent of the claim paid or payable, and finally;
 - 1.3.3 to **your** benefit where the **excess** has been deducted from the claim.

EXCLUSIONS

- 1 **Our** liability under this Section will not exceed:
 - 1.1 in respect of the acts of any one **employee** the sum of GBP100,000 regardless of the period in which the acts were committed;
 - 1.2 in respect of any one loss or series of losses arising from one source or original cause the sum of GBP100,000;
 - 1.3 the limit of liability specified in the schedule in the aggregate during any one **period of insurance**.
- 2 **We** shall not be liable under this Section for:
 - 2.1 more than one claim in respect of any one **employee**;
 - 2.2 loss of interest or consequential loss of any kind;
 - 2.3 the **excess** of GBP500 in respect of each and every claim.

CONDITIONS PRECEDENT

- 1 **Minimum Standards**

You shall operate or bring into force the minimum standards listed below and shall not make any change to these unless **we** are advised and written approval obtained. Compliance with the minimum standards listed below shall be a condition precedent to any liability on **us** and if not observed by **you** and **your employees you** forfeit all rights to indemnity under this Section.
- 2 **References**
 - 2.1 **You** shall obtain satisfactory references to confirm the honesty of each **employee** who will be responsible for **money** goods accounts computer operations or computer programming engaged after commencement of this policy.
 - 2.2 Such references shall be obtained directly from former employers for the three (3) years immediately preceding engagement and before the **employee** is entrusted without supervision.
 - 2.3 References need not be obtained in respect of **employees** who have satisfactorily and continuously served **you** for at least one (1) year in another capacity before being entrusted with the duties referred to in clause 2.1 above.
 - 2.4 In respect of **employees** joining directly from school or government sponsored youth training schemes one (1) character reference shall be obtained.
 - 2.5 A written record of any verbal reference shall be made at the time it is obtained.
 - 2.6 The original copy of each written reference and the record of any verbal reference shall be obtained by **you** and made available for inspection by **us** on request.

3 Auditors

- 3.1 **Your** accounts including the accounts of all of **your** subsidiary companies shall be examined by external auditors every twelve (12) months.
- 3.2 All recommendations or alternative action acceptable to the auditors shall be implemented without delay.

4 Cash receipts

Employees receiving cash and cheques in the course of their duties shall be required to remit all monies received and/or bank in full on the day of receipt or next banking day unless otherwise agreed by **us**.

5 Reconciliation

Independently of **employees** responsible, bank statements, receipts, counterfoils and supporting documents shall be checked at least monthly against the cash book entries and the balance tested with cash and unpresented cheques.

6 Cheque signing

All cheques or other bank instruments drawn for more than GBP10,000 shall require two (2) manually applied signatures to be added after the amount has been inserted. **You** shall advise **your** bankers accordingly.

7 Cash and petty cash

Cash in hand and petty cash must be checked independently of **employees** responsible at least monthly and without warning every six (6) months.

8 Payroll

- 8.1 The cast of the payroll will be subject to an independent check before payment to ensure that the total amount drawn is correct.
- 8.2 At least quarterly and independently of persons responsible the payroll will be checked to minimise the possibility that fictitious names and enhanced payments have been included.

9 Stocktaking

There will be a physical check on all stock and materials held against verified stock records independent of **employees** responsible at intervals of not more than twelve (12) months.

10 Ordering goods

Different **employees** acting independently shall be responsible for the ordering of stock and materials, the recording of receipt of such, and the authorisation of payment for them.

11 Statements of account

- 11.1 Statements of account for all amounts due will be issued at least monthly and direct to customers independently of **employees** receiving or collecting monies.
- 11.2 Action shall be taken by management if an account becomes three (3) months overdue.

12 Computer security

- 12.1 Security checks will be built into all computer functions with reconciliations made as necessary.
- 12.2 Responsibilities for authorisation of transactions, processing of transactions and handling of output to be exercised by different **employees**.

EXCLUSIONS to SECTIONS C, D, E and G

Applicable to Sections C, D, E and G of the Policy

This policy does not cover **damage**:

- 1 occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.
- 2 of or to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss of whatsoever nature directly or indirectly caused by or contributed to or by or arising from:
 - 2.1 the radioactive, toxic, explosive or other hazardous properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 2.2 ionising radiation from or contamination by radioactivity from any nuclear fuel or from nuclear waste or from the combustion of any radioactive material
 - 2.3 any weapon of war employing atomic or nuclear fission and / or fusion or other like reaction or radioactive force or matter
- 3 loss of **gross profit** and/or increased cost of working arising directly or indirectly, out of:
 - 3.1 loss of, alteration of or **damage** to,
or
 - 3.2 a reduction in the functionality, availability or operation of

a computer system, hardware, program, software, data, information repository, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of *the insured* or not, unless **damage** arises from Defined Perils (as listed below).
- 4 in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of civil commotion.

Defined Perils

1. Fire, but excluding **damage** caused by
 - a) explosion, resulting from fire or earthquake,
 - b) its undergoing any heating process or any process involving the application of heat.
2. Lightning,
3. Explosion of,

EXCLUSIONS to SECTIONS C, D, E and G

- a) boilers used for domestic purposes only,
 - b) gas used for domestic purposes only.
4. Explosion but excluding loss resulting from **damage** by explosion (other than **damage** by fire resulting from explosion) caused by the bursting of any economiser or other vessel, machine or apparatus (not being a boiler or economiser at the **premises**) in which internal pressure is due to steam only and belonging to or under the **insured's** control.
 5. Aircraft and other aerial devices or articles dropped from the aircraft.
 6. Riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons excluding **damage**
 - a) (other than by fire or explosion) by theft,
 - b) resulting from cessation of work, or
 - c) resulting from deliberate erasure, loss, distortion or corruption of information on computer systems or other records, programs or software.
 7. Earthquake.
 8. Storm or flood but excluding **damage**
 - a) attributable solely to change in the water table level,
 - b) caused by frost, subsidence, ground heave or landslip,
 - c) to fences, gates or moveable property in the open.
 9. Escape of water from any tank, apparatus or pipe, but excluding **damage**
 - a) by water discharged or leaking from any automatic sprinkler installation,
 - b) in respect of any building which is vacant or disused.
 10. Impact with the property insured by road vehicle or animal.
 11. Collapse or falling objects.
 12. Theft involving entry to or exit from the **buildings** by forcible and violent means or threat of violence to the **insured** or any of the **insured's employees**.

GENERAL CONDITIONS

The following Conditions must be complied with before **we** can confirm that **we** will deal with any claim under **your** policy. Breach of these Conditions will entitle **us** to void **your** policy from the date the policy began.

1 Basis of contract

Any **reference** to 'basis of the contract' in this policy or in the proposal form (if any) is of no effect.

2 Duty of fair presentation

You must make a fair presentation of the risk (as set out in the Insurance Act 2015 or successor or amending legislation) in proposing for, or proposing to vary, this insurance.

3 Duty of fair presentation – remedies for breach - proposing for this insurance

If **you** or anyone acting on **your** behalf breaches **your** duty of fair presentation then **our** remedies shall be as follows:

- 3.1 if such breach is deliberate or reckless, the **we** may:
 - 3.1.1 treat this policy as having been terminated from its inception; and
 - 3.1.2 retain the premium;
- 3.2 if such breach is not deliberate or reckless and **we** would not have entered into this policy but for the breach, **we** may by notice to **you** treat this policy as having been terminated from its inception in which case **we** shall return the premium; and
- 3.3 in all other cases if, but for the said breach, **we** would have entered into this policy but:
 - 3.3.1 on different terms (other than terms relating to the premium), **we** may require that this policy is treated as if it had been entered into on those different terms from the outset; or
 - 3.3.2 would have charged a higher premium, **we** may reduce proportionately the amount to be paid on a claim (and, if applicable, the amount already paid on prior claims). In those circumstances, **we** shall pay only X% of what **we** would otherwise have been required to pay, where $X = (\text{premium actually charged/higher premium}) \times 100$.

4 Duty of fair presentation– remedies for breach - variation

If **you** or anyone acting on **your** behalf breaches **your** duty of fair presentation in relation to a variation of this policy, **our** remedies shall be as follows:

- 4.1 if such breach is deliberate or reckless, **we** may:
 - 4.1.1 by notice to **you** treat this policy as having been terminated from the time when the variation was concluded; and
 - 4.1.2 retain the premium;
- 4.2 if such breach is not deliberate or reckless, and **we** would not have entered into the variation but for the breach, **we** may treat this policy as if the variation was never made, in which case **we** shall return any additional premium relating to the variation; and
- 4.3 in all other cases if, but for the said breach, **we** would have entered into the variation but:
 - 4.3.1 on different terms (other than terms relating to the premium), **we** may require that the variation is treated as if it had been entered into on those different terms;
 - 4.3.2 would have increased the premium by more than it did or at all, **we** may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, **we** shall pay only X% of what **we** would otherwise have been required to pay, where $X = (\text{premium actually charged/higher premium}) \times 100$; or

GENERAL CONDITIONS

- 4.3.3 would not have reduced the premium by as much as it did or at all, **we** may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, **we** shall pay only X% of what **we** would otherwise have been required to pay, where $X = (\text{premium actually charged/reduced total premium}) \times 100$.

5 Fraudulent claims

- 5.1 If **you** or anyone acting on **your** behalf makes a fraudulent claim under this policy, **we**:
- 5.1.1 are not liable to pay the claim;
 - 5.1.2 may recover any part of the claim already paid from the relevant **insured**; and
 - 5.1.3 may by notice to **you** treat this policy as having been terminated with effect from the time of the first fraudulent act, in which case **we** are not liable to that **insured** in respect of a relevant event occurring after that time and may retain any premium.
- 5.2 These remedies shall not be available against any other entity insured under this policy that was not implicated in the fraud.

6 Material changes during the policy period

- 6.1 **You** must notify **us** within thirty (30) days of any material change to the **insured, your business** or the risks insured if indemnity under this insurance is sought in relation to any such change.
- 6.2 **We** shall not indemnify **you** for any liability arising out of a material change for which indemnity would otherwise have been available under this insurance unless **we** have provided valid confirmation of cover, whether by an express term of this policy, endorsement, written confirmation or otherwise.

7 Observance

You must observe and fulfil the terms and conditions of this policy as they relate to anything to be done or complied with by **you**.

8 Reasonable Precautions

You must take all reasonable precautions to prevent accidents or **damage**. Further, **you** must ensure that all locking and/or fastening devices including alarms (if any) fitted for the protection of the items insured are brought into operation whenever the **premises** is closed for **business** or vehicles containing items insured are left unattended.

The following Conditions are of a general nature affecting **your** policy cover or policy procedures. These Conditions allow **us** to take the action described in each Condition.

9 Average (not applicable to Sections A, B, F, H, I or J)

If the **buildings, contents**, temporary plant and other property at the commencement of any **damage** are collectively of greater value than the sum insured, **you** will be considered as **your** own insurer for the difference and bear a rateable proportion of the loss accordingly.

10 Cancellation

We may at any time during the **period of insurance** cancel this policy by giving thirty (30) days written notice by recorded delivery to **you** at the address shown on the schedule but without prejudice to obligations incurred prior to the expiry of such notice. **We** will return to **you** a proportionate part of the premium paid.

No premium refund will be allowed in the event that **you** cancel this policy.

11 Contracts (Rights of Third Parties) Act 1999

This policy does not confer or create any right enforceable under the Contracts (Rights of Third

GENERAL CONDITIONS

Parties) Act 1999 or any amending or subsequent legislation, by any person who is not named as the **insured** and

11.1 both **we** and **you** may amend or lapse this policy without giving notice to, or requiring the consent of, any other third party,

11.2 **we** may cancel this policy without giving notice to, or requiring the consent of, any other third party.

12 Electronic Documents Clause

It is understood and agreed that **we** may hold documents relating to this insurance and any claims under it in electronic form and may destroy the originals. An electronic copy of any such document will be admissible in evidence to the same extent as, and carry the same weight as, the original.

13 Index-Linking

Renewal

Where it is stated in the schedule that index-linking applies, the amounts insured will for renewal purposes be adjusted to take into account the latest published movements in the appropriate index shown below, unless **you** advise **us** that **you** do not require index-linking to be applied.

Buildings

The General Building Cost Index issued by the Building Cost Information Service of The Royal Institute of Chartered Surveyors.

Other Items

The Producer Price Index for home sales of manufactured products issued by the Office for National Statistics.

Claims

For claims settlement purposes (except Business Interruption) the adjustments authorised above will continue during the:

13.1 **period of insurance**

13.2 period of repair, replacement or reinstatement provided that such work is carried out and completed without undue delay.

NOTE: In the event of either or both of the above indices not being available we may select alternative measures at **our** discretion.

14 Law Clause

Unless otherwise stated this insurance policy shall be governed by and interpreted in accordance with the laws and practice of England. The courts of England will have exclusive jurisdiction to settle any disputes arising out of or in connection with this policy.

15 Premium Adjustment Clause

The premiums for Sections A B D and E of this policy are calculated by a rate on estimated wages and/or turnover and an accurate record containing all relevant particulars must be kept by **you**.

You shall at all times allow **us** to inspect such records and shall supply such particulars and information as **we** may require within one month from the expiry of each **period of insurance** to enable **us** to adjust the premium. Such adjustment will be subject to:

16.1 any Section minimum premium chargeable for the risk being retained by **us**; and

16.2 a maximum return premium of twenty five (25) per cent of the adjustable portion of the premium for each Section,

GENERAL CONDITIONS

provided that there shall be no refund of premium on adjustment following cancellation of this insurance under the terms of General Condition 7.

16 Privacy and the Data Protection Act 1998

All personal information (including sensitive personal data such as health details or criminal convictions) provided in connection with this policy will be processed in accordance with the Data Protection Act 1998. You consent to all personal information so provided being used for the purposes and being disclosed to the parties set out below.

Where personal information is provided about another person, **you** are required to inform that person of **our** identity, and why their personal information will be processed and disclosed. **You** are also required to obtain their written consent to the processing of their personal information in this way and provide, on request, such consent to **us**.

Personal information is used:

- a) to administer the policy, including underwriting, renewal information, validation of claims history and claims handling;
- b) for research, analysis, statistic creation, and customer profiling;
- c) for fraud prevention and debt recovery.

Personal information may be disclosed to:

- a) other members of the QBE Insurance Group;
- b) other insurance entities interested in the risk written under this policy;
- c) agents and service providers appointed by **us** to carry out activities in connection with the policy;
- d) credit reference and fraud databases;
- e) law enforcement and other statutory bodies;
- f) potential purchasers of the whole or part of **our** business.

If false or inaccurate information is provided and fraud is suspected this fact will be recorded and the information will be available to other organisations that have access to the fraud databases.

Personal information may be transferred to third parties in countries outside the European Economic Area which may not have the same standards of protection for personal information as the United Kingdom. **We** will ensure that such transfers comply with the data protection law and the personal information is kept securely and protected from unauthorised access.

We maintain protections and procedures in the storage and disclosure of personal information to keep it secure and prevent unauthorised access to or loss of such information.

We may monitor and record all communications with you for compliance and training purposes.

Should **you** wish to see the information held, have any queries in relation to the way such information is used or discover any inaccuracies, **you** should write to the Data Protection Officer at QBE Insurance (Europe) Limited, Plantation Place, 30 Fenchurch Street, London EC3M 3BD.

GENERAL CONDITIONS

17 **Related coverage contribution**

In the event a claim can be brought under more than one Section of this policy by way of more than one Section providing for the same indemnity from a loss, then **you** must elect at **your** discretion which Section such indemnity is to be pursued under. Upon such election, a claim for that indemnity may not be brought under any other Section of the policy where such other Section would provide an indemnity for the same loss, regardless of whether **you** are successful in recovering for loss from the dual indemnity under its original election of Section which it choose to pursue. However, this condition shall not apply to any claim, indemnity or loss across more than one Section where **you** can demonstrate that materially different indemnities would be provided by **us** under each Section.

18 **Sanction limitation and exclusion**

We shall not provide cover nor be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose **us** or any member of **our** group to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any country.

CLAIMS CONDITIONS

The following Conditions 1-10 must be complied with after an incident that may give rise to a claim under **your** policy. Breach of these conditions will entitle **us** to refuse to deal with the relevant claim.

1 Additional Interests (not applicable to Sections A, B, F, H, I or J)

The interest of other parties in this insurance is noted and **you** undertake to declare the names of such interested parties immediately following any claim.

2 Writ, summons, etc

You must not respond to any letter, writ or summons or other document sent to **you** in connection with any accident, incident or occurrence that may relate to any claim under **your** policy or which may give rise to a claim under any Section of **your** policy. **You** must immediately send them to Sutton Specialist Risks Ltd unanswered by return of post, or to **us** or legal representatives as may otherwise be advised by **us**.

3 Notification of claims

You or any other party insured by **your** policy must inform Sutton Specialist Risks Ltd:

3.1 immediately **you** have knowledge of any impending prosecution, inquest or inquiry in connection with any accident or disease, which may be the subject of claim, give notice in writing and give **us** any further information and assistance **we** may require,

3.2 as soon as practicably possible (and, in any event, within two (2) working days) of receipt of notice of any impending inquest, fatal accident inquiry or other legal proceedings,

3.3 in respect of Professional Indemnity (Section F) as soon as practicably possible (and, in any event, within two (2) working days) during the **period of insurance** of:

3.3.1 any claim first made against **you**;

3.3.2 the receipt of information from any person of an intention to make a claim against **you**;

3.3.3 any occurrence or circumstance of which **you** become aware which may give rise to a claim against **you**.

We will regard any claim which later results from the same occurrence or circumstance notified to **us** as having been made during the same **period of insurance** as that notification.

3.4 in respect of Directors and Officers (Section I) by notice in writing:

3.4.1 as soon as reasonably practicable of any **claim** but in any event not later than ten (10) days from receipt of any **claim** or any notice of an intention to make a **claim**, and for the avoidance of doubt within the **period of insurance** or within ten (10) days after the expiry of the **period of insurance**;

3.4.2 as soon as reasonably practicable of any **circumstance** but in any event before expiry of the **period of insurance**;

3.4.3 within two (2) days of receipt of any notice of intention to adjudicate, notice of adjudication, referral notice or any adjudication notice pursuant to contract;

CLAIMS CONDITIONS

- 3.4.4 as soon as reasonably practicable after becoming aware that a case directly affecting **you** is being reviewed by any ombudsman;
- 3.4.5 as soon as reasonably practicable of any other loss or suspicion of loss that is or may be insured.
- 3.5 within as soon as practical but in any event within thirty (30) days in the case of any other **damage**, bodily injury, incident, accident or occurrence, that may give rise to a claim under any **your** policy but not separate specified above.

4 **Claims** procedure **You** must:

- 4.1 take all practical steps to minimise **damage**, prevent further injury or **damage** and recover property damaged,
- 4.2 inform the police immediately of any malicious **damage**, theft or loss of **money** or other property,
- 4.3 within thirty (30) days (or any other period **we** agree) send **us** a claim in writing giving full details of the bodily injury, incident, accident, occurrence or **damage** to property with satisfactory proof to **us** of the amounts claimed.

For each and every claim **you** or any person claiming under **your** policy must:

- 4.4 give **us** any help **we** require,
- 4.5 send **us** any documents that will enable **us** to settle, investigate or resist any claim as **we** think fit,
- 4.6 not incur any expense or admit responsibility or promise any payment without **our** consent,
- 4.7 permit **us** to take any action **we** require in order to enforce any:
 - 4.7.1 rights or remedies, or
 - 4.7.2 to obtain any relief or recovery, to which **we** may become entitled, whether this action is taken before or after **we** pay any claim under **your** policy.
- 4.8 and with respect to any **claim** under Section I – Directors and Officers, the following additional duties and conditions shall apply:
 - 4.8.1 the **insured persons** may appoint lawyers to represent them in defending any **claim** subject to **our** prior written consent. Where the same or a similar claim is made against more than one **insured person** or against the **company** and any **insured person**, the same lawyers shall be appointed to defend all of them unless there is a conflict of interest between them;
 - 4.8.2 **we** shall not require the **insured persons** to contest any **claim** unless the legal opinion of an **independent lawyer**, to be paid for by **us**, advises that such **claim** should be contested having given full consideration as to:

CLAIMS CONDITIONS

- 4.8.2.1 the financial implications, damages and costs likely to be recovered by the claimant;
 - 4.8.2.2 the likely **defence costs and expenses**;
 - 4.8.2.3 the prospects of the **insured persons** successfully defending the **claim**; and
 - 4.8.2.4 in respect of a criminal or regulatory **claim**, the reputation of the **insured person**.
- 4.8.3 If a claim is made against a party entitled to cover under Section I – Directors and Officers in respect of loss covered by this Section together with other loss that is not covered by this policy or a **claim** is made against both a party entitled to cover and a party who is not so entitled, the following sub-paragraphs will apply:
- 4.8.3.1 **we** shall pay only such amount as is just and equitable having regard to the relative legal and financial exposures of the loss covered by this Section compared to the other loss which is not covered by this Section and of the party entitled to cover compared with the party not so entitled;
 - 4.8.3.2 the **insured persons**, or where applicable, the **company** and **us**, shall use their best efforts to agree this amount; and
 - 4.8.3.3 in default of an agreement, this amount shall be determined by an **independent lawyer** in accordance with the principles set out in clause 4.8.3 above.
- 4.9 For Section H – Legal Expenses:
- 4.9.1 To make a claim under **your** policy, please telephone **DAS** on 0117 933 0696. We will ask **you** about **your** legal dispute and if necessary call **you** back at an agreed time to give **you** legal advice. If **your** dispute needs to be dealt with as a claim under this policy, we will provide **you** with a claim reference number. At this point we will not be able to confirm that **you** are covered but we will pass the information that **you** have given us to our claims handling teams and explain what to do next.
 - 4.9.2 If **you** would prefer to report **your** claim in writing please send it to:

The Claims Department,
DAS Legal Expenses Company Limited,
DAS House,
Quay Side,
Temple Back,
Bristol BS1 6NH.
 - 4.9.3 Alternatively **you** can e-mail **your** claim to us at newclaims@das.co.uk.
 - 4.9.4 Claims are usually handled by a representative appointed by us, but sometimes we deal with them ourselves.
 - 4.9.5 Please do not ask for help from a solicitor or accountant before we have agreed. If **you** do, we will not pay the costs involved.

CLAIMS CONDITIONS

5 Dispute under the Housing Grant, Construction and Regeneration Act 1996

If a dispute under a construction contract defined in Sections 104 to 107 and section 117 of Part II of the above Act is being referred to adjudication under the procedures of the Act and may involve **us** in a payment under any section of **your** policy, then **you** must:

- 5.1 inform **us** verbally, by facsimile or by any other suitable means immediately **you** become aware of the referral;
- 5.2 send **us** immediately on receipt relevant documents in connection with the dispute.

We will only be responsible for damages and costs that become payable by **you**.

You must not waive under contract or otherwise any rights of appeal against the decision given by the adjudicator. If **you** do not comply with this **we** will not pay the damages or costs for which **you** are held responsible to pay.

If **we** successfully appeal against a decision, and **we**:

- 5.3 are allowed a full or partial recovery of the decision; and
- 5.4 have not received the amount involved from whatsoever source after a period of six (5) months from the date of the decision,

then **we** reserve the right to recover the amount from **you**.

Any dispute will be dealt with in accordance with the terms, conditions and restrictions of **your** policy.

6 Our Rights

Under all sections of this policy, **we** will be entitled to:

- 6.1 use **your** name in legal proceedings,
- 6.2 take over and conduct the defence or settlement of any claim,
- 6.3 prosecute in **your** name for **our** own benefit at **our** own expense any other person,
- 6.4 instruct solicitors of **our** choice to act for **you** in any civil or criminal proceedings.

Under sections other than A, B, F, H, I, and J:

as a result of any **damage** for which a claim is or may be made under this policy **we** and every person authorised by **us** may, without incurring any liability and without diminishing **our** right to rely upon any conditions of the policy:

- 6.5 enter, take or keep possession of the **buildings**, or **premises** where the **damage** has happened,
- 6.6 take possession of or require to be delivered to **us** any of the items insured,
- 6.7 keep possession of and deal with the property for all reasonable purposes and in any reasonable manner.

This condition will be evidence of **your** permission and licence for **us** to do so. If **you** or anyone

CLAIMS CONDITIONS

acting on **your** behalf does not comply with **our** requirements, hinders or obstructs **us** in carrying out any of these acts, then all benefits under this policy will be forfeited.

You will not in any case be entitled to abandon any property to **us** whether taken possession of by **us** or not.

7 **Reinstatement of Property (not applicable to Sections A, B, F, H, I or J)**

If **we** elect or become bound to reinstate or replace any property **you** must at **your** own expense, produce and give **us** any plans, documents, books and information that **we** may require. **We** will not be bound to reinstate exactly or completely, but only as circumstances permit and in a reasonably sufficient manner, and will not in any case be liable in respect of any one of the items insured for more than the sum insured or limit of indemnity of that item.

8 **Contribution**

If at the time of any claim under this policy there is any other insurance covering the same risk or any part of the risk **we** will not be liable for more than **our** rateable portion.

If the other insurance is subject to any condition of Average, this policy, if not already subject to any condition of Average will be subject to Average in the same manner.

9 **Subrogation (not applicable to Section I)**

Any claimant under this policy must permit any action that may be required by **us** in order to enforce any rights and remedies or obtain relief or indemnity from other parties which **we** become entitled to, upon **our** paying for or making good any **damage** under this policy, whether the action is or becomes necessary before or after their indemnification by **us**.

10 **Arbitration (not applicable to Sections A, B, F, H, I or J)**

If any difference arises concerning the amount to be paid under this policy (liability being otherwise admitted) the difference will be referred to an arbitrator, to be appointed by the parties in accordance with the statutory provisions in force at that period in time.

The arbitrator must make an award before any rights of action against **us** are pursued.

COMPLAINTS PROCEDURE

QBE Insurance (Europe) Limited strives to provide an excellent service to all its customers but occasionally things can go wrong. QBE take all complaints seriously and endeavours to resolve all customers' problems promptly.

To ensure its service meets customers' expectations all comments received are recorded and analysed to facilitate continuous improvement to its service.

What you should do?

The steps **you** should take if you are not satisfied:

1. If **you** have a question or complaint about this insurance or the conduct of your intermediary please contact Sutton Specialist Risks in the first instance:

Sutton Specialist Risks Ltd
Bull Wharf Redcliff Street
Bristol BS1 6QR
Tel: 0117 930 0100
Fax: 0117 927 9200
Registered in England No. 2409309

2. If you wish to contact the **insurer** directly then:

for Sections A – G and I and J please contact:

Customer Relations, QBE Insurance (Europe) Limited
Plantation Place, 30 Fenchurch Street, London, EC3M 3BD,
tel: + 44 (0) 20 7105 5988, fax: + 44 (0) 20 7105 4032,
Email: CustomerRelations@uk.qbe.com

for Section H please contact:

DAS customer relations department at **DAS's** head office address shown below or **you** can telephone **DAS** on 0117 934 0066 or email **DAS** at customerrelations@das.co.uk
DAS's head and registered office is: DAS Legal Expenses Insurance Company Limited,
DAS House, Quay Side, Temple Back, Bristol BS1 6NH.

3. If, after making a complaint, **you** feel that the matter has not been resolved to **your** satisfaction then if **you** are an eligible complainant **you** may contact:

The Financial Ombudsman Service,
Exchange Tower London E14 9SR. Telephone 0300 123 9 123 or 0800 023 4567,
Website: <http://www.financial-ombudsman.org.uk/consumer/complaints.htm>

Making a complaint to the Financial Ombudsman Service (FOS) does not affect **your** rights under this policy, but if **you** are not an eligible complainant then the informal complaint process ceases.

A summary of QBE's / **DAS's** complaint handling procedure is available on request and will also be provided to **you** when acknowledging a complaint.

4. If you are not an eligible complainant then the informal complaint process ceases.

COMPLAINTS PROCEDURE

What QBE will do if you complain?

Following a full investigation a nominated representative will attempt to resolve **your** complaint and reply, with a decision, within 5 working days after receipt of **your** complaint.

In cases requiring a more detailed investigation it may not be possible to reach a decision within this timeframe. If this is the case **we** will contact you and provide an estimated date for a decision. In any event this will not be longer than twenty (20) working days from the date of your complaint.

If **you** are still unhappy with the decision **you** may have a right to refer the complaint to the FOS.

About the Financial Ombudsman Service (FOS)

Eligible complainants are:

- private individuals *and*
- micro-enterprises".
„Micro-enterprises“ will be able to bring complaints to the ombudsman as long as they have an annual turnover of under EUR2 million and fewer than ten (10) employees.
- charities with an annual income of less than GBP1million; or
- a trustee of a trust with net assets of less than GBP1million.

The FOS will only consider a complaint if you are an eligible complainant and if:

- QBE have been given an opportunity to resolve it and
- QBE have sent you a final response letter and you have referred your complaint to the FOS within six (6) months of the QBE final response letter or
- QBE have not responded to your complaint with a decision within eight (8) weeks.

Financial Services Compensation Scheme

The Company Market and Lloyd's underwriters are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the Scheme if QBE is unable to meet its obligations under this contract.

Entitlement to compensation under the Scheme depends on the type of business and circumstances of the claim. Further information about compensation scheme arrangements is available from the Financial Services Compensation Scheme 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU or from their website (www.fscs.org.uk).

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