



# POLICY DOCUMENT

## COMMERCIAL COMBINED INSURANCE



# COMMERCIAL COMBINED INSURANCE POLICY

## Welcome! Thank You for choosing Pen Underwriting to provide Your Commercial Combined Insurance

This is **Your** Commercial Combined Insurance Policy booklet, setting out **Your** insurance protection in detail. The Policy booklet must be read together with **The Schedule** and Statement of Facts as one document. It is an important document so **You** should keep it somewhere safe – **You** will need it if **You** need to make a claim.

Please read it carefully to make sure that it meets **Your** requirements and that the details on **The Schedule** and Statement of Facts are correct.

**Your** premium has been based upon the information shown in **The Schedule** and recorded in **Your** Statement of Facts.

If after reading **Your** Policy Booklet **You** have any questions, any details are incorrect or the Policy does not provide the cover **You** need then **You** must contact **Your** insurance adviser immediately.

**Your** insurance relates **only** to those sections of the Policy which are shown in **The Schedule** as being **INCLUDED**.

## WHO ARE THE INSURERS?

This Policy is provided by Pen Underwriting acting as agent on behalf of a leading UK Insurer. For details of Pen Underwriting Limited's Data Protection and Privacy Policies visit the Pen Underwriting website at [www.penunderwriting.co.uk](http://www.penunderwriting.co.uk)

**The insurer that is providing Your Commercial Combined Insurance Policy will be shown on Your Policy Schedule.**

## USEFUL TELEPHONE NUMBERS

### How to make a claim

If **You** need to make a claim please contact **Us** by calling the telephone number printed on **Your** Policy **Schedule**. Have **Your** Policy Number to hand when calling. **Your** Policy Number appears on **Your** Policy **Schedule**.

The claims handler will take full details of the claim and guide **You** through the next steps. Depending on the value and type of claim, the claims handler may seek help from a loss adjuster. Loss adjusters are independent claims experts who will visit **You** or a third party claimant to assist with the assessment of the claim.

Once **We** have been notified of a claim, **We** will tell **Your** broker. The notification letter gives **Your** broker the opportunity to become involved in the claim if either **You** or they wish. Once the claim has been settled, a letter is sent to **Your** broker confirming settlement and the amounts paid.

### Do

- Have details of **Your** policy number ready when notifying **Us**. **You** can find the policy number on **The Schedule**.
- Report any incidence of loss of **Money**, theft, attempted theft or **Damage** by malicious persons to the police immediately. **You** should obtain a crime reference number (not an incident reference number) from them if a crime has been committed.
- Carry out temporary repairs to the **Property Insured** to prevent further loss. Please retain all invoices for work carried

out. Remember, if **You** do not have **Your** own contractor, call the Business Emergency Assistance telephone no. on **Your** **Schedule** to arrange for an approved contractor to effect repairs, any time of the day or night.

- Notify **Us** of any claim or any incident which may lead to a claim as soon as possible. The sooner **We** are involved, the more opportunity **We** have to resolve the claim to **Your** satisfaction. **You** must notify **Us** within seven days if the incident relates to **Damage** by riot, civil commotion, labour or political disturbances, malicious persons, theft or attempted theft.
- Ensure that any letter or notice received is sent to **Us** immediately unanswered and unacknowledged. **You** must also send **Us** unanswered and unacknowledged any written claim, writ, summons or other document relating to a claim and tell **Us** of any pending prosecution, coroner's inquest or fatal accident inquiry and give **Us** full details of any verbal claims made against **You**.
- Any **Bodily Injury** to an **Employee** should be reported to **Us** regardless of whether a formal claim has been made against **You**. **We** can then decide whether **We** need to investigate and provide advice to **You**.

### Don't

- Dispose of any evidence or damaged items - **We** may wish to see them.
- Wait for estimates to be obtained for work to be carried out before notifying **Us** of a claim.
- Admit or deny responsibility for any incident involving **Bodily Injury** to others or **Damage** to their property.

### Replacement service

**We** have a number of suppliers that can repair the **Property Insured** or replace items lost, stolen or damaged beyond repair. If one of **Our** suppliers is used **You** will not need to obtain estimates and **We** will settle directly with the supplier. **You** will be responsible for the payment of any applicable **Excess**. **You** will only be responsible for payment of the VAT element if **You** are VAT registered. **You** will be invoiced accordingly.

## CONTENTS

**Your** Policy booklet is made up of individual Sections. This booklet should be read together with **Your** current Policy **Schedule** for precise details of **Your** insurance protection. **We** have also included (under Important Information) details of **Your** right to cancel this Policy and also what to do if **You** have a complaint.

<b>Policy Introduction</b>	<b>03</b>
The Contract of Insurance	
Important Information	
<b>Choice of Law</b>	<b>03</b>
<b>Policy Definitions</b>	<b>04</b>
<b>Asset Protection Insurance</b>	<b>06</b>
Property Damage Section	<b>06</b>
Theft Section	<b>13</b>
Money and Assault Section	<b>18</b>
Computer Breakdown Section	<b>21</b>
Employee Dishonesty	<b>23</b>
Business All Risks Section	<b>25</b>
Property in Transit Section	<b>28</b>
Frozen Foods Section	<b>31</b>
<b>Revenue Protection Insurance</b>	<b>32</b>
Gross Profit	<b>34</b>
Book Debts	<b>35</b>
Gross Fees	<b>36</b>
Gross Revenue	<b>37</b>
Increased Cost of Working	<b>38</b>
<b>Legal Liabilities Insurance</b>	<b>42</b>
Employers' Liability Section	<b>42</b>
Public and Products Liability Section	<b>45</b>
<b>Loss of Licence Section</b>	<b>50</b>
<b>Terrorism Insurance Section</b>	<b>51</b>
<b>Policy Exceptions</b>	<b>53</b>
<b>Conditions Precedent</b>	<b>55</b>
<b>Policy Conditions</b>	<b>57</b>
<b>Complaints Procedure</b>	<b>59</b>
<b>Data Protection Notice</b>	<b>59</b>

## POLICY INTRODUCTION

### The Contract of Insurance

**Your** Policy is a contract between **Us**, the insurers, and **You**, the **Policyholder**.

In return for **You** having paid or agreed to pay the premium, **We** will indemnify **You** by payment or, at **Our** option, by reinstatement or repair, in respect of loss, destruction, damage, accident or injury occurring or other insured contingency arising during the **Period of Insurance**, subject to the terms conditions and exceptions contained in the Policy or endorsed on **The Schedule**.

## IMPORTANT

**You** are required to make a fair presentation of the risk to **Us**

If **You** breach **Your** duty to provide a fair presentation and any such breach was deliberate or reckless, **We** may regard the Policy as void and are not required to return any paid Premium to **You**.

If the breach was not deliberate or reckless, **Our** remedy shall depend upon what **We** would have done if **You** had complied with the duty of fair presentation:

1. **We** may regard the Policy as void if Insurers would not have entered into the Policy on any terms in the absence of the breach. In this case, **We** must return the premium paid.
2. If **We** would have entered into the Policy, but on different terms (other than terms relating to premium) the Policy is to be treated as if those different terms applied from the outset, if **We** so require.
3. If **We** would have entered into the Policy but 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).

## CHOICE OF LAW

This Policy will be governed by English Law, and **You** and **We** agree to submit to the non-exclusive jurisdiction of the courts of England and Wales (unless **You** live in Jersey in which case the law of Jersey will apply and the Jersey courts will have exclusive jurisdiction).

## POLICY DEFINITIONS

Wherever the following words or phrases appear in this Policy they will have the meanings defined below. A defined word will start with a capital letter, be bold and coloured (e.g. **You**).

Each Section of the Policy contains definitions. They must be read in conjunction with the following **Policy Definitions**.

### Building or Buildings

Buildings including outbuildings, landlord's fixtures and fittings, extensions and annexes adjoining or communicating with the Buildings, boundary walls, gates, fences, hedges, terraces, drives and footpaths.

### Computer and Electronic Equipment

All computers, computer installations and systems, microchips, integrated circuits, microprocessors, embedded systems, hardware, and any electronic equipment, data processing equipment, information repository, telecommunication equipment, computer controlled or programmed machinery, equipment capable of processing data and, or similar devices, whether physically or remotely connected thereto.

### Consequential Loss

(not applicable to the Terrorism Insurance Section)

Consequential or indirect loss (that is any **Damage** or additional expense, which happens as a result of, or is a side effect of, the event for which **You** are insured). This includes but is not limited to the following:

- (a) loss of revenue
- (b) loss of earnings
- (c) additional travel costs
- (d) loss assessor fees
- (e) the cost of preparing a claim
- (f) compensation for stress or inconvenience

### Condition Precedent

A condition which must be complied with before **We** are liable for a claim.

### Cyber Vandal

The person or persons, whether identified or not, responsible for, or involved with, creating a Virus or Similar Mechanism or a **Denial of Service Attack**, unauthorised access to or use of **Computer and Electronic Equipment**.

### Data

All information which is

- (1) electronically stored

or

- (2) electronically represented

or

- (3) contained on any current and back-up disks, tapes or other materials or devices used for the storage of data, including but not limited to operating systems, records, programs, software or firmware, code or series of instructions.

### Data Storage Materials

Any materials or devices used for the storage or representation of **Data** including but not limited to disks, tapes, CD-ROMs, DVDs, memory sticks, memory cards or other materials or devices which may or may not also constitute **Computer and Electronic Equipment**.

### Declared Value

**Your** assessment of the cost of reinstatement of the **Property Insured** at a level of costs applying at the time that such values are required by Us as the basis for the calculation of the Policy premium (ignoring inflationary factors that may subsequently operate) together with insofar as the insurance by the item provides due allowance for debris removal costs, professional fees and additional cost if reinstatement to comply with European Community and Public Authority requirements.

### Denial of Service Attack

(not applicable to Terrorism Insurance Section)

Any actions or instructions with the ability to damage, interfere with, or otherwise affect the availability of **Computer and Electronic Equipment or Data**, including but 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 within, between or amongst networks.

### Employee

Any person who is

- (1) under a contract of service or apprenticeship with **You**
- (2) borrowed by or hired to **You**
- (3) a labour master or supplied by a labour master
- (4) employed by labour only sub-contractors
- (5) self employed
- (6) under a work experience or training scheme
- (7) a voluntary helper while working under **Your** control in connection with **The Business**
- (8) an outworker or homeworker when engaged in work on **Your** behalf.

### Endorsement / Endorsements

An alteration to the terms of the Policy.

### Excess or Excesses

The amount or amounts shown in **Your** Policy or **The Schedule** which **We** deduct from each and every claim after the application of **Average**. See Policy Condition (3).

**You** will repay any such amount paid by **Us**.

### Failure

Any partial or complete reduction in the

- (1) performance, or
- (2) availability, or
- (3) functionality, or
- (4) the ability to recognise or process any date or time, of any
  - (a) **Computer and Electronic Equipment**
  - (b) electronic means of communication
  - (c) web site.

**Loss of Data**

Physical or electronic or other loss or destruction or alteration or loss of use, whether permanent or temporary, of or damage to **Data**, of whatsoever nature, in whole or in part, including, but not limited to **Loss of Data** resulting from loss or damage to **Computers and Electronic Equipment** or **Data Storage Materials**, including while stored on **Data Storage Materials**.

**Loss of Rent (Payable)**

The amount payable for tenancies and other charges rendered in the course of **The Business** at **The Premises** immediately before the date of the **Damage**.

**Malicious Contingency**

- (1) riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances.
- (2) malicious persons other than thieves and **Cyber Vandals**.

**Money**

Current

- (1) coin, bank and currency notes
- (2) postal and money orders, bankers drafts, cheques and giro cheques
- (3) crossed warrants, bills of exchanges and securities for money
- (4) postage, revenue, national insurance and holiday with pay stamps
- (5) national insurance and holiday with pay cards, national savings certificates, war bonds, premium savings bonds and franking machine impressions
- (6) credit company sales vouchers, luncheon vouchers and trading stamps
- (7) VAT invoices

**Period of Insurance**

From the effective date until the expiry date (both shown in **The Schedule**) or any subsequent period for which **We** accept payment for renewal of this Policy.

**Property Insured**

**Property Insured** as detailed in **The Schedule**.

**Proposal**

Any information provided by **You** in connection with this insurance.

**The Schedule**

The document which specifies details of **The Policyholder**, **The Premises**, **Property Insured**, **Sums Insured**, **Limits of Indemnity** and any **Excesses**, **Endorsements** and conditions applying to the Policy.

**Stock in Trade**

**Stock in Trade** belonging to **You** or held by **You** in trust for which **You** are responsible.

**Tenants Improvements**

Tenants alterations, improvements and decorations owned by **You** or for which **You** are responsible.

**The Business**

Activities directly connected with the trades and business described in the Statement of Fact and specified in **The Schedule**.

**The Premises**

**The Premises** stated in the Statement of Fact and specified in **The Schedule**.

**Trade Contents, Machinery and Plant**

Machinery, plant and all other contents belonging to **You** or held in trust for which **You** are responsible at **The Premises**.

**Unoccupied**

Any building that is

- (1) not physically occupied by **You** or **Your Employees** during **Your** normal working hours,  
and/or
- (2) not used for the purposes of **The Business**,  
and/or
- (3) empty, vacant, disused, unattended or unfurnished,  
and/or
- (4) awaiting refurbishment, redevelopment, renovation or demolition, for a period in excess of 45 consecutive days.

**Virus or Similar Mechanism**

Program code, programming instruction or any set of instructions with the ability to damage, interfere with, or otherwise adversely affect **Computer and Electronic Equipment** or **Data**, whether involving self-replication or not, including, but limited to Trojan horses, worms and logic bombs.

**We/Us/Our**

The insurers whose identity is stated in the **Endorsement** entitled Identity of Insurers shown in **The Schedule**.

**You/Your/The Policyholder**

The persons, companies, partnerships or unincorporated associations named in **The Schedule** as **The Policyholder**.

## ASSET PROTECTION INSURANCE

### PROPERTY DAMAGE SECTION

#### DEFINITIONS

(also refer to the **Policy Definitions** at the front of this Policy booklet)

The following definitions apply to this Section and shall keep the same meaning wherever they appear in the Section unless an alternative definition is stated to apply.

#### Damage

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

#### Defined Contingency

- (1) fire
- (2) lightning or earthquake
- (3) explosion
- (4) aircraft and other aerial devices or articles dropped from them
- (5) riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances
- (6) malicious persons other than thieves
- (7) storm or flood
- (8) escape of water from any tank, apparatus or pipe
- (9) falling trees
- (10) impact
- (11) escape of fuel from any fixed oil heating installation.

#### Property Damage Excess

The amount (or amounts) shown in **The Schedule** which **We** will deduct from each and every claim and will be deducted after the application of **Average**. See Policy Condition (3). **You** will repay any such amount paid by **Us**.

#### Subsidence Excess

The amount (or amounts) shown in **The Schedule** which **We** will deduct from each and every claim and will be deducted after the application of **Average**. See Policy Condition (3). **You** will repay any such amount paid by **Us**.

## COVER

**We** will indemnify **You** in respect of **Damage** occurring during the **Period of Insurance** at **The Premises**.

The **Sum Insured** under each item other than items applying solely to fees, rent, removal of debris, private dwelling houses, churches or buildings in the course of erection is separately subject to **Average**. See Policy Condition (3).

The maximum **We** will pay under this Section in any one **Period of Insurance** will not exceed

- (1) the **Sum Insured** on each item
- or
- (2) the total **Sum Insured**
- or
- (3) any other maximum amount payable or limit of liability specified in **The Schedule**.

## EXCEPTIONS

**We** will not indemnify **You** in respect of

- (1) **Damage** caused by or consisting of
  - (a) an existing or hidden defect in the property
  - (b) gradual deterioration or wear and tear
  - (c) frost or change in the water table level
  - (d) faulty design of the **Property Insured** or faulty
  - (e) materials used in its construction
  - (f) faulty workmanship, operating error or omission by **You** or any **Employee**
  - (g) the bursting of
    - (i) a boiler
    - (ii) other equipment
 not being used for domestic purposes where the internal pressure is due to steam only and belongs to **You** or is under **Your** control.

However **We** will indemnify **You** in respect of any subsequent **Damage** which results from a cause not otherwise excluded.
- (2) **Damage** caused by or consisting of
  - (a) (i) corrosion, rust or rot
  - (ii) shrinkage, evaporation or loss of weight
  - (iii) dampness or dryness
  - (iv) scratching
  - (v) vermin or insects
  - (vi) mould or fungus
  - (b) change in
    - (i) temperature
    - (ii) colour
    - (iii) flavour
    - (iv) texture or finish
  - (c) nipple or joint leakage or failure of welds
  - (d) cracking, fracturing, collapse or overheating of a boiler, vessel, machine or apparatus in which internal pressure is due to steam only and any associated piping
  - (e) mechanical or electrical breakdown or derangement of the **Property Insured**.

However, **We** will indemnify **You** in respect of

- (i) **Damage** not otherwise excluded which itself results from a **Defined Contingency** or any other accidental cause
- (ii) any subsequent **Damage** which itself results from a cause not otherwise excluded.



- (3) **Damage** caused by pollution or contamination. However, **We** will indemnify **You** in respect of **Damage**, not otherwise excluded, to the **Property Insured** caused by
- (a) pollution or contamination which results from a **Defined Contingency**.
  - (b) a **Defined Contingency** which results from pollution or contamination.
- (4) **Damage** caused by or consisting of
- (a) subsidence, ground heave or landslip unless resulting from fire, explosion, earthquake or escape of water from any tank, apparatus or pipe
  - (b) normal settlement of new structures
  - (c) acts of fraud or dishonesty
  - (d) (i) disappearance
    - (ii) unexplained or inventory shortage
    - (iii) misfiling, misplacing of information or clerical error
  - (e) theft or attempted theft.
- (5) **Damage** to a structure caused by its own collapse or cracking. However, **We** will indemnify **You** in respect of such **Damage** if it results from a **Defined Contingency** and is not otherwise excluded.
- (6) **Damage** to
- (a) gates
  - (b) fences
  - (c) moveable property in the open or in open sided buildings which do not incorporate foundations below ground level
- by
- (i) wind
  - (ii) rain, hail, sleet or snow
  - (iii) flood
  - (iv) dust.
- (7) (a) **Damage** to the **Property Insured** from its undergoing any process involving the application of heat.
- (b) **Damage** to that portion of the **Property Insured** caused by its own self ignition, leakage of electricity, short circuiting, or over-running.
- (c) **Damage** to the **Property Insured** resulting from its undergoing any process of
- (i) production or packaging
  - (ii) treatment, testing or commissioning
  - (iii) servicing or repair.

However, **We** will indemnify **You** in respect of such **Damage** if it is caused by fire or explosion and is not otherwise excluded.

- (8) **Damage** while any building is **Unoccupied** caused by
- (a) escape of water from any tank, apparatus or pipe
  - (b) malicious persons

However, **We** will indemnify **You** in respect of such **Damage** if it is caused by fire or explosion and it is not otherwise excluded.

- (9) **Damage** in respect of
- (a) glass not being fixed glass forming part of the structure of the building
  - (b) china, earthenware, marble or other fragile objects (not including **Stock in Trade**)

However, **We** will indemnify **You** in respect of such **Damage** if it results from a **Defined Contingency** and is not otherwise excluded

- (10) **Damage** in respect of
- (a) vehicles licensed for road use including accessories on or attached to them
  - (b) caravans or trailers
  - (c) railway locomotives or rolling stock
  - (d) watercraft of aircraft
  - (e) property in the course of construction including materials for use in the construction
  - (f) land, roads or pavements, piers, jetties, bridges, culverts or excavations
  - (g) livestock
  - (h) growing crops or trees

However, **We** will indemnify **You** in respect of **Damage** to property described in (a) to (f) above if the property is specifically stated as insured in **The Schedule** and the **Damage** is not otherwise excluded.

- (11) **Damage**
- (a) insured by any marine Policy
  - (b) which would be insured under any marine Policy if this Policy did not exist

However, **We** will indemnify **You** in respect of **Damage** not otherwise excluded for any sum beyond the amount which would have been payable under the marine Policy had this insurance not existed.

- (12) **Damage** more specifically insured by **You** or on **Your** behalf.

- (13) **Consequential Loss** or **Damage** of any kind.

However, **We** will indemnify **You** in respect of rent when this cover is specified in **The Schedule** and the **Damage** is not otherwise excluded.

- (14) The **Property Damage Excess** stated in **The Schedule**.

## COVER EXTENSIONS

### (1) Glass Extension

**We** will indemnify **You** in respect of

- (a) breakage (including the cost of boarding up) of fixed glass at **The Premises**
- (b) (i) **Damage at The Premises** to
  - contents of display windows
  - window and door frames
- (ii) the cost of removing and reinstating obstructions to replacing fixed glass
- (iii) the cost of replacing alarm foil, lettering, painting, embossing, silvering, or other ornamental work on the fixed glass occurring during the **Period of Insurance**
- (c) breakage of fixed wash hand basins, pedestals, baths, sinks
  - (i) lavatory bowls, bidets, cisterns
  - (ii) shower trays, splash backs at **The Premises**.

The maximum that **We** shall pay in respect of item (b) (i), (ii) and (iii) is £1,000 during any one **Period of Insurance**.

**We** will not indemnify **You** in respect of

- (1) breakage of glass in
  - (a) light fittings
  - (b) signs
  - (c) vehicles
  - (d) vending machines
  - (e) **Stock in Trade** or goods in trust
- (2) breakage of glass
  - (a) while **The Premises** are **Unoccupied** or disused
  - (b) in transit or while being fitted
  - (c) caused by workmen carrying out alterations or repairs to **The Premises**.
- (3) **Damage** to glass caused by
  - (a) scratching
  - (b) gradual deterioration or wear and tear
  - (c) change in colour or finish
- (4) the first £250 of each and every claim.

## (2) Subsidence Extension

(applicable only if stated in **The Schedule**.)

**We** will indemnify **You** in respect of **Damage** not otherwise excluded to the **Property Insured** at **The Premises** caused by subsidence, or ground heave of the site of the **Property Insured** or landslip.

**We** will only indemnify **You** in respect of **Damage** to

- (a) forecourts, car parks, driveways, footpaths, swimming pools, terraces or patios
  - (b) walls, gates, hedges or fences
- If,

- (i) such property is specifically insured by this Section and
- (ii) **Damage** also occurs to the building to which such property applies and that building is insured by this Section.

**We** will not indemnify **You** in respect of

- (1) **Damage** caused by
  - (a) collapse, cracking, shrinking or settlement of any building
  - (b) coastal or river erosion
  - (c) defective design or inadequate construction of foundations
  - (d) demolition, structural alteration or repair
  - (e) settlement or movement of made up ground
- (2) **Damage** as a result of movement of solid floor slabs.  
However, **We** will indemnify **You** in respect of **Damage** not otherwise excluded if there is **Damage** to the foundations beneath the exterior walls of **The Premises** at the same time.
- (3) the **Subsidence Excess** stated in **The Schedule**.

## CLAUSES

The following **Clauses** apply to this Section.

### (1) Automatic Reinstatement of Sum Insured

The **Sums Insured** stated in **The Schedule**, will not be reduced by the amount of any claim unless **We** or **You** give notice to the contrary.

**You** must pay the additional premium required to reinstate the **Sums Insured**.

### (2) Construction Heating and Occupation of the Buildings

Unless otherwise stated in **The Schedule** the **Buildings** are

- (a) constructed of brick, stone or concrete, roofed with slates, tiles, concrete, metal or asbestos, with no more than 20% of other materials.
- (b) heated by
  - (i) low pressure hot water or steam
  - (ii) oil fired space heaters fed from a fuel tank in the open
  - (iii) overhead gas or electrical appliances
  - (iv) gas or electrical fires in offices only.
- (c) occupied for the sole purpose of **The Business** and otherwise only a private dwelling.

### (3) Transfer of Interest

If at the time of **Damage** to a **Building** insured under this Section **You** have entered into a contract to sell **Your** interest in it, but

- (a) the contract has not yet been completed and
- (b) the **Building** has not yet been insured by or on behalf of the Purchaser and
- (c) the purchase is subsequently completed,

**We** will indemnify the purchaser to the extent that this Section insures that **Building**.

This will not affect either **Your** or **Our** rights and liabilities up to the date of completion of the purchase.

### (4) Basis of Claim Settlement – Reinstatement

Unless otherwise stated in **The Schedule** in the event of **Damage** the basis upon which **We** will calculate the amount **We** will pay for any claim will be the reinstatement of the **Property Insured** lost, destroyed or damaged, subject to the following conditions

- (a) If **Property Insured** other than **Stock in Trade**, **Employee's**, pedal cycles, motor vehicles, rent or personal items is lost or destroyed, **We** will pay for its rebuilding or replacement by similar property in a condition as good as, but not better than or more extensive than, its condition when new.

If such **Property Insured** is only partially destroyed, **We** will pay for the replacement or repair of the damaged portion to a condition as good as, but not better or more extensive than, its condition when new.

However, **We** will not pay more than **We** would have done if the property had been completely destroyed.



- (b) The **Property Insured** may be replaced on another site and in a manner suitable to **Your** needs, but this must not increase **Our** liability.
- (c) All work must begin and be carried out as quickly as possible.
- (d) If at the time of rebuilding or replacement 85% of what it would have cost to replace the whole of the **Property Insured** under that Item is greater than the **Sum Insured** at the time the **Damage** occurred **You** will be liable to bear a proportionate share of the loss.
- (e) **We** will not pay under this Clause
  - (i) until **You** have incurred the cost of replacing or repairing the **Property Insured**
  - (ii) if **You**, or someone acting on **Your** behalf have insured the property under another policy which does not have a similar basis of reinstatement
  - (iii) if **You** do not comply with any of the terms of this **Clause**.
- (f) **We** will indemnify **You** in respect of **Loss of Rent** as insured under this Section resulting from the **Building** or any part of the **Building**
  - (i) generating the rent received
  - or
  - (ii) for which rent is payable

being made unfit for **The Business** due to **Damage** insured by this Section.

The maximum amount that **We** will pay **You** under this **Clause** will be the proportion of the **Sum Insured** which equals but does not exceed the proportion of the period of rent insured necessary to make the building fit for occupation.

## (5) Professional Fees

The **Sum Insured** for each **Buildings** and **Trade Contents, Machinery and Plant** Item(s) described in **The Schedule** includes an amount for professional fees necessarily incurred in reinstating or repairing the **Property Insured**, following **Damage** insured by this Section.

**We** will not indemnify **You** in respect of fees

- (a) more specifically insured
- (b) incurred in preparing a claim.

## (6) Debris Removal

The **Sum Insured** for each Item, other than rent if insured, includes costs and expenses **You** incur, with **Our** consent, for

- (i) removal of debris
- (ii) dismantling or demolishing
- (iii) shoring up or propping

of the parts of the property which have suffered **Damage** insured under this Section.

**We** will not indemnify **You** in respect of costs and expenses

- (a) incurred in removing debris from anywhere other than the site of the **Damage** and the area immediately adjacent to it
- (b) arising from pollution or contamination of property not insured by this Section
- (c) more specifically insured.

The maximum **We** will pay for costs and expenses in respect of **Stock in Trade** is £10,000.

## (7) Temporary Removal for Cleaning or Renovation

**We** will indemnify **You** in respect of **Damage** insured by this Section other than to **Stock in Trade**, while temporarily removed for cleaning, renovation or repair or similar purposes

- (i) to another part of **The Premises**
- (ii) to any other premises in England, Wales, Scotland, Northern Ireland, the Channel Islands and the Isle of Man including whilst in transit by road, rail or inland waterway.

The maximum **We** will pay is 15% of the item **Sum Insured** after the deduction of the value of any building and **Stock in Trade** included within the item insured.

**We** will not indemnify **You** in respect of

- (a) **Property Insured** elsewhere
- (b) property removed for more than 90 consecutive days unless **We** agree a longer period in writing
- (c) **Damage** occurring elsewhere than at **The Premises** to motor vehicles or motor chassis licenced for normal road use.

## (8) Temporary Removal – Documents and Computer Systems Records

Where any Item under this Section includes documents and computer systems records **We** will indemnify **You** in respect of **Damage** insured by this Section to such property while

- (a) temporarily removed to any premises not occupied by **You**
- (b) In transit by road, rail or inland waterway in England, Wales, Scotland, Northern Ireland, the Channel Islands and the Isle of Man.

The maximum **We** will pay is 15% of the total property described in this **Clause**.

## (9) Underground Services

Where **We** provide indemnity in respect of **Your Buildings**, or **You** are liable as tenant, **We** will indemnify **You** in respect of accidental damage to underground

- (a) pipes
- (b) cables

which extend from the **Buildings** to the public mains.

**We** will not indemnify **You** in respect of

- (1) the cost of maintenance
- (2) **Damage** caused by
  - (a) (i) gradual deterioration or wear and tear
  - (ii) corrosion, rust, rot or fungus
  - (iii) vermin or insects
  - (iv) atmospheric or climatic conditions
  - (v) normal settlement or shrinkage
- (b) faulty workmanship, defective design or the use of defective materials.

## (10) Loss of Metered Water

**We** will pay for charges for which **You** are responsible, if water is accidentally discharged from a metered water system providing service to **The Premises**.

The maximum amount that **We** will pay in respect of any one claim is £10,000.

## (11) All Other Contents

This term includes

- (a) documents, manuscripts and business books
- (b) computer systems records

The maximum amount **We** will pay in respect of any one claim for computer systems records is £25,000.

**We** will not pay for

- expenses in connection with producing information to be recorded
- the value to **You** of any information lost.

- (c) patterns, models, moulds, plans and designs but only for
  - (i) the value of the materials
  - (ii) the cost of labour and computer time spent in reproducing them.

- (d) personal belongings, pedal cycles, tools and instruments belonging to **You** or any of **Your** directors, **Employees**, customers or visitors but only if they are not more specifically insured.

The maximum **We** will pay in respect of any one claim for any one person's property is £1,000.

- (e) rare books or works of art.

The maximum amount **We** will pay in respect of any one article is £2,000 and £10,000 in total for any one claim.

- (f) wines, spirits, cigarettes and tobacco held for **Your** own private entertainment purposes.

The maximum **We** will pay is £500 any one claim.

- (g) trade samples and goods in transit held at **The Premises**.

The maximum amount **We** will pay is £500 any one claim.

## (12) European Union & Public Authorities' Including Undamaged Property

Following **Damage** insured by this Section, to any item on **Buildings, Tenants Improvements or Trade Contents Machinery and Plant** described in **The Schedule**. **We** will pay the additional cost of reinstating the **Property Insured** including undamaged portions necessary to comply with any

- (a) European Union Legislation
- (b) Act of Parliament
- (c) Bye-Laws of any Public Authority.

**We** will not indemnify **You** in respect of

- (1) costs incurred
  - (a) in respect of **Damage** not insured by this Section
  - (b) where notice was served on **You** before the **Damage** occurred
  - (c) where an existing requirement must be completed within a stipulated period
  - (d) in respect of property or parts of the property which have not suffered **Damage**

- (2) any charge or assessment arising from capital appreciation following compliance with any legislation or bye law.

The reinstatement of the **Property Insured**

- (i) must begin and be carried out as quickly as possible

- (ii) may be carried out on another site and in a manner suitable to **Your** needs but this must not increase **Our** liability.

If **Our** liability under this Section is reduced by the application of any terms **Exceptions** or **Conditions** of this Policy, **Our** liability under this **Clause** will be similarly reduced.

The maximum **We** will pay under this **Clause** in respect of

- (a) **Property Insured** which has suffered **Damage** is the **Sum Insured**
- (b) undamaged portions of **Property Insured** other than foundations but including water supply equipment is 15% of the amount **We** would have been liable to pay if the **Property Insured** by the item at **The Premises** here **Damage** occurred had been completely destroyed.

## (13) Trace and Access

**We** will pay costs and expenses incurred with **Our** consent

- (1) in locating the actual source of **Damage**

and

- (2) any repairs directly arising from (1) caused by the escape of water from any tank, apparatus or pipe or leakage of fuel from any fixed oil heating installation, provided such **Damage** is insured by this Section.

**We** will not indemnify **You** in respect of costs or expenses incurred where **Damage** results solely from a change in the water table level.

The maximum **We** will pay is £10,000 in any one **Period of Insurance**.

## (14) Capital Additions

**We** will indemnify **You** in respect of loss, destruction of or **Damage** to

- (1) newly built and, or newly acquired **Buildings** and, or **Trade Contents, Machinery and Plant**

and

- (2) alterations additions and improvements to **Buildings** and, or **Trade Contents, Machinery and Plant** but not in respect of any appreciation in value

anywhere in England, Wales, Scotland, Northern Ireland, the Channel Islands and the Isle of Man provided that

- (i) at any one situation this cover shall not exceed
  - (a) 10% of the total **Buildings and Trade Contents, Machinery and Plant Sum Insured** by this Section
  - or
  - (b) £500,000
 whichever is lower.

- (ii) **You** undertake to give particulars of such extension of cover as soon as practicable and to effect specific insurance thereon retrospective to the date of the commencement of **Our** liability

- (iii) the provisions of this **Clause** shall be fully maintained notwithstanding any specific insurance effected under (ii) above.

### (15) Lamps, Signs and Nameplates

We will indemnify **You** in respect of **Damage** as insured by this Section to

- (a) lamps
- (b) signs
- (c) nameplates

used in connection with **The Business** at **The Premises**.

The maximum that **We** will pay in respect of any one item is £1,000.

### (16) Emergency Services Damage to Gardens

We will indemnify **You** in respect of costs and expenses necessarily incurred in reinstating or repairing landscape gardens and grounds following damage caused by emergency services equipment or personnel in attending **The Premises** as a result of a **Defined Contingency**.

The maximum **We** will pay in respect of any one claim is £10,000.

### (17) Change of Occupancy

**You** must tell **Us** immediately if

- (1) any **Building** stated in **The Schedule** becomes **Unoccupied** or disused
- (2) any **Unoccupied** or disused building stated in **The Schedule**, or any part of it becomes occupied.

### (18) Contract Sale Price

If goods sold but not delivered, for which **You** are responsible, suffer **Damage** insured by this Section and because of this, the contract of sale is cancelled under the conditions of sale, **Our** liability will be on the basis of the contract price for the goods which have suffered **Damage**.

Any calculation for the purpose of **Average** will be on the basis of the contract price for all goods sold but not delivered, whether suffering **Damage** or not.

### (19) Customers Goods

The **Stock in Trade** Items stated in **The Schedule** extend to include

- (1) customers goods
- (2) goods for which **Your** customers are legally responsible,

while these goods are temporarily in **Your** custody or control and for which **You** have accepted responsibility but only to the extent they are not more specifically insured.

### (20) Description of Property

In determining the Item under which property is insured, **We** will accept the description given in **Your** business records.

### (21) Drains

The **Sum Insured** for each **Buildings** and **Trade Contents, Machinery and Plant** Item extends to include an amount necessarily and reasonably incurred by **You**, and which **We** agree to for cleaning and, or clearing of

- (1) drains
- (2) sewers
- (3) gutters

for which **You** are responsible, following **Damage** insured by this Section.

### (22) Fire Extinguishing Expenses

**We** will indemnify **You** in respect of costs and expenses incurred in refilling, recharging or replacing any

- (1) portable fire extinguishing appliances
- (2) local fire suppression system
- (3) fixed fire suppression system
- (4) sprinkler installation
- (5) sprinkler heads

as a result of **Damage** as insured by this Section.

**We** will not indemnify **You** in respect of any costs and expenses recoverable from the maintenance company or fire service.

The maximum amount **We** will pay in respect of any one claim is £10,000.

### (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** may be entitled by subrogation against

- (1) any company whose relationship to **You** is either a parent to subsidiary or subsidiary to parent
- (2) any company which is a subsidiary of a parent company of which **You** are a subsidiary

as defined in, or within the meaning of the relevant Companies Act or Companies (N.I.) Order, current at the time of the **Damage**.

### (24) Workmen

Repairs and minor structural alterations may be carried out at **The Premises** without affecting the Cover.

### (25) Non-invalidating

The insurance by this Section will not be invalidated by any

- (1) act
- or
- (2) omission
- or
- (3) alteration

either unknown to **You** or beyond **Your** control which increases the risk of **Damage**.

However, **You** must

- (a) notify **Us** immediately **You** become aware of any such act, omission or alteration
- and
- (b) pay any additional premium required.

**(26) Day One(Non Adjustable)**

For each Item of **Property Insured** to which this **Clause** applies (as stated in **The Schedule**).

- (1) the first and annual premiums are based upon the **Declared Value** as stated in **The Schedule**.

**Declared Value** shall mean

**Your** assessment of the cost of reinstatement of the **Property Insured** arrived at in accordance with paragraph (1) of the Basis of Settlement – Reinstatement **Clause** at the level of costs applying at the start of the **Period of Insurance** (ignoring inflationary factors which may operate subsequently) together with an allowance for

- (a) the additional cost of reinstatement to comply with
- (i) European Union Legislation
  - (ii) Act of Parliament
  - (iii) Bye-Laws of any public authority
- (b) professional fees
- (c) debris removal costs.

The **Declared Value** incorporated in each Item is stated in **The Schedule**.

- (2) **You** must notify **Us** of the **Declared Value** at the start of each **Period of Insurance**.

If **You** fail to notify **Us** of the **Declared Value** at the start of any **Period of Insurance**, **We** will use the last **Declared Value** notified to **Us** for the following **Period of Insurance**.

- (3) Paragraphs (d) and (e) of the Basis of Settlement – Reinstatement **Clause** are restated as follows
- (a) if, at any time of the **Damage**, the **Declared Value** is less than the cost of reinstatement of the **Property Insured**, arrived at in accordance with paragraph (1) of this **Clause** at the start of the **Period of Insurance**, **Our** liability for any **Damage** will be limited to that proportion which the **Declared Value** bears to the cost of reinstatement of the **Property Insured** arrived at in accordance with paragraph (1) of this **Clause**.

- (b) **We** will not pay under this **Clause**
- (i) until **You** have incurred the cost of replacing or repairing the **Property Insured**
  - (ii) if **You**, or someone acting on **Your** behalf, have insured the property under another Policy which does not have the same basis of reinstatement
  - (iii) if **You** do not comply with any of the provisions of this **Clause**.

However the **Sums Insured** will be limited to 108% of the **Declared Values** stated in **The Schedule**.

- (4) The maximum **We** will pay in respect of each separate location subject to this **Clause** is as stated in **The Schedule**.

**(27) Theft Damage to Buildings**

**We** will indemnify **You** in respect of **Damage** to **Buildings** at **The Premises**, for which **You** are responsible by

- (1) theft or attempted theft involving entry to or exit from **Buildings** by forcible and violent means

or

- (2) theft involving violence or threat of violence to **You**, **Your** partners, directors or **Employees**.

**We** will not indemnify **You** in respect of

- (a) **Damage**
- (i) caused to any property other than **Buildings**
  - (ii) caused by any person lawfully in the **Buildings**
  - (iii) while the **Building** is **Unoccupied** or disused
  - (iv) more specifically insured
- (b) the Property Damage **Excess** stated in **The Schedule**.

**(28) Exhibitions**

**We** will indemnify **You** in respect of **Damage** to **Stock in Trade** whilst at any exhibition within England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man for a period not exceeding 15 days.

The maximum **We** will pay is £25,000 any one claim.

**CONDITIONS PRECEDENT**

The following **Condition Precedent** applies.

**(1) Fire Extinguishing Appliances Condition**

If in relation to any claim for **Damage** caused by or resulting from fire, **You** have failed to fulfil the following **Condition Precedent**, **You** will lose **Your** right to indemnity or payment for that claim.

It is a **Condition Precedent** to **Our** liability to make any payment under this Section that **You** must maintain all fire extinguishing appliances on **The Premises** in proper working order.

**Additional Clauses, Endorsements and Any Other Terms Exceptions and Conditions**

This Section is subject to any **Additional Clauses**, **Endorsements** and any other terms **Exceptions** and **Conditions** stated as operative or applicable in **The Schedule**.

## THEFT SECTION

(applicable only if stated in **The Schedule**)

### DEFINITIONS

#### Alarmed Premises

**The Premises** or those parts of **The Premises** protected by the **Intruder Alarm System**.

#### Damage

Loss or destruction of or **Damage** to the **Property Insured**.

#### Intruder Alarm System

The component parts detailed in the alarm specification including the means of communication used to transmit signals.

#### Keyholder

**You** or any **Responsible Person** or keyholding company authorised by **You**:-

- (1) to accept notification of faults or alarm signals relating to the **Intruder Alarm System**
- (2) to attend, and allow access to **The Premises** at least one of whom must be available at all times.

#### Responsible Person

**You** or any person authorised by **You** to be responsible for the security of **The Premises**.

#### Theft Excess

The amount (or amounts) shown in **The Schedule** which **We** will deduct from each and every claim and will be deducted after the application of **Average**. See Policy Condition (3).

**You** will repay any such amount paid by **Us**.

### COVER

**We** will indemnify **You** in respect of **Damage** occurring during the **Period of Insurance** in **The Premises** caused by

- (a) theft or attempted theft involving entry into or exit from **The Premises** by forcible and violent means
- (b) theft involving violence or threat of violence to **You**, **Your** partners, directors or **Employees**

The **Sum Insured** under each item is separately subject to **Average**. See Policy Condition (3).

The maximum **We** will pay under this Section in any **one Period of Insurance** will not exceed

- (1) the **Sum Insured** on each item  
or
- (2) the total **Sum Insured**  
or
- (3) any other maximum amount payable or limit or liability specified in **The Schedule**.

### EXCEPTIONS

**We** will not indemnify **You** in respect of

- (1) **Damage**
  - (a) in any part of **The Premises** not occupied by **You** in connection with **The Business**
  - (b) in yards, open sided buildings, compounds, or other open spaces unless specifically mentioned in **The Schedule**
  - (c) while **The Premises** are **Unoccupied**
  - (d) caused by or consisting of acts of fraud or dishonesty.  
  
However, **We** will indemnify **You** in respect of **Damage** where any of **Your Employees** are involved as principal or accessory
  - (e) caused by or consisting of
    - (i) disappearance
    - (ii) unexplained or inventory shortage
    - (iii) misfiling, misplacing of information or clerical error.
- (2) **Damage** in respect of
  - (a) audio and visual equipment
  - (b) tobacco, cigarettes, cigars, wines and spirits exceeding £1,000 in total
  - (c) computer hardware and software
  - (d) explosives
  - (e) furs
  - (f) gold and silver articles
  - (g) goods held in trust or on commission
  - (h) jewellery and precious stones
  - (i) **Money** and bullion
  - (j) non-ferrous metals
  - (k) securities and bonds

unless specifically stated in **The Schedule**.

- (3) **Damage**
  - (a) where **You** or **Your** partners, directors or **Employees** or any member of **Your** household is involved as principal or accessory
  - (b) caused by any person lawfully in **The Premises**
  - (c) caused directly or indirectly by fire
  - (d) caused by explosion

However, **We** will indemnify **You** in respect of **Damage** where explosives are used in connection with theft or attempted theft as described in Cover (a) or (b) provided **Damage** by explosion is not insured elsewhere.

- (e) to glass

However, **We** will indemnify **You** in respect of **Damage** to glass not insured elsewhere.

- (4) **Damage** to property more specifically insured by **You** or on **Your** behalf.
- (5) any **Consequential Loss** or **Damage**.
- (6) the **Theft Excess** as stated in **The Schedule**.



## CLAUSES

The following **Clauses** apply to this Section.

### (1) Automatic Reinstatement of Sum Insured

The **Sums Insured** stated in **The Schedule** will not be reduced by the amount of any claim unless **We** or **You** give notice to the contrary.

**You** must pay the additional premium required to reinstate the **Sums Insured**.

### (2) Basis of Claim Settlement – Reinstatement

Unless otherwise stated in **The Schedule** in the event of **Damage** the basis upon which **We** will calculate the amount **We** will pay for any claim will be the reinstatement of the **Property Insured** lost, destroyed or damaged, subject to the following conditions

- (a) If **Property Insured** other than **Stock in Trade, Employees’** pedal cycles, motor vehicles or personal items is lost or destroyed, **We** will pay for its rebuilding or replacement by similar property in a condition as good as, but not better or more extensive than, its condition when new.  
If such **Property Insured** is only partially destroyed, **We** will pay for the replacement or repair of the damaged portion to a condition as good as, but not better or more extensive than, its condition when new.  
However, **We** will not pay more than **We** would have done if the property had been completely destroyed.
- (b) The **Property Insured** may be replaced on another site and in a manner suitable to **Your** needs, but this must not increase **Our** liability.
- (c) All work must begin and be carried out as quickly as possible.
- (d) If at the time of rebuilding or replacement 85% of what it would have cost to replace the whole of the **Property Insured** under that Item, is greater than the Sum Insured at the time the **Damage** occurred **You** will be liable to bear a proportionate share of the loss
- (e) **We** will not pay under the **Clause**
  - (i) until **You** have incurred the cost of replacing or repairing the **Property Insured**
  - (ii) if **You**, or someone acting on **Your** behalf have insured the property under another Policy which does not have a similar basis of reinstatement
  - (iii) if **You** do not comply with any of the terms of this **Clause**.

### (3) Professional Fees

The **Sum Insured** for each Item, excluding **Stock in Trade**, includes an amount for professional fees necessarily incurred in reinstating or repairing the **Property Insured**, following **Damage** insured by this Section.

**We** will not indemnify **You** in respect of fees

- (a) more specifically insured
- (b) incurred in preparing a claim.

### (4) Debris Removal

The **Sum Insured** for each Item includes costs and expenses **You** incur, with **Our** consent, for

- (a) removal of debris
- (b) dismantling or demolishing
- (c) shoring up or propping of the parts of the property which have suffered **Damage** insured under this Section.

**We** will not indemnify **You** in respect of costs and expenses

- (i) incurred in removing debris from anywhere other than the site of the **Damage** and the area immediately adjacent to it
- (ii) arising from pollution or contamination of property not insured by this Section
- (iii) more specifically insured.

### (5) Temporary Removal for Cleaning or Renovation

**We** will indemnify **You** in respect of **Damage** insured by this Section other than to **Stock in Trade**, while temporarily removed for cleaning, renovation or repair or similar purposes

- (i) to another part of **The Premises**
- (ii) to any other premises in England, Wales, Scotland, Northern Ireland, the Channel Island and the Isle of Man including whilst in transit by road, rail or inland waterway.

The maximum **We** will pay is 15% of the item **Sum Insured** after the deduction of the value of any **Building** and **Stock in Trade** included within the item insured.

**We** will not indemnify **You** in respect of

- (a) **Property insured** elsewhere
- (b) property removed for more than 90 consecutive days unless **We** agree a longer period in writing.

### (6) Temporary Removal – Documents and Computer Systems Records

Where any Item under this Section includes documents and computer systems records **We** will indemnify **You** in respect of **Damage** insured by this Section to such property while

- (a) temporarily removed to any premises not occupied by **You**
- (b) in transit by road, rail or inland waterway in England, Wales, Scotland, Northern Ireland, the Channel Islands and the Isle of Man.

The maximum **We** will pay is 15% of the total property described in this **Clause**.

### (7) Changing Locks

**We** will indemnify **You** in respect of the cost of changing locks at **The Premises** following loss of keys, including safe keys, by theft or attempted theft from

- (a) **The Premises**
- (b) **Your** home
- (c) **Your** directors homes
- (d) **Your** authorised **Employees** homes

or whilst in **Your** custody or that of an **Employee** following theft involving violence or threat of violence to **You** or an **Employee**.

If the keys belong to a safe they must be

- (i) removed from **The Premises** overnight
- (ii) kept in a secure place away from the safe when **You** or an **Employee** occupies **The Premises**.

The maximum **We** will pay in respect of any one claim is £1,500.

### (8) All Other Contents

This term includes

- (a) documents, manuscripts and business books
- (b) computer systems records
- (c) patterns, models, moulds, plans and designs

but only for

- (i) the value of the materials
- (ii) the cost of labour and computer time spent in reproducing them.

The maximum amount **We** will pay in respect of any one claim for computer systems records is £25,000.

**We** will not pay for

- expenses in connection with producing information to be recorded
- the value to **You** of any information lost.

- (d) personal belongings, pedal cycles, tools and instruments belonging to **You** or any of **Your** directors, **Employees**, customers or visitors but only if they are not more specifically insured.

The maximum **We** will pay in respect of any one claim for any one person's property is £1,000.

- (e) rare books or works of art.

The maximum amount **We** will pay in respect of any one article is £2,000 and £10,000 in total for any one claim.

- (f) wines, spirits, cigarettes and tobacco held for **Your** own private entertainment purposes.

The maximum **We** will pay is £500 any one claim.

- (g) trade samples and goods in transit held at **The Premises**.

The maximum amount **We** will pay is £500 any one claim.

### (9) European Union & Public Authorities' Including Undamaged Property

Following **Damage** insured by this Section, to any item on **Buildings**, Tenants Improvements or **Trade Contents, Machinery and Plant** described in **The Schedule**. **We** will pay the additional cost of reinstating the **Property Insured** including undamaged portions necessary to comply with any

- (a) European Union Legislation
- (b) Act of Parliament
- (c) Bye-Laws of any Public Authority.

**We** will not indemnify **You** in respect of

- (1) costs incurred
  - (a) in respect of **Damage** not insured by this Section
  - (b) where notice was served on **You** before the **Damage** occurred
  - (c) where an existing requirement must be completed within a stipulated period
  - (d) in respect of property or parts of the property, which have not suffered **Damage**
- (2) any charge or assessment arising from capital appreciation following compliance with any legislation or bye law.

The reinstatement of the **Property Insured**

- (i) must begin and be carried out as quickly as possible
- (ii) may be carried out on another site and in a manner suitable to **Your** needs but this must not increase **Our** liability.

If **Our** liability under this Section is reduced by the application of any terms **Exceptions** or **Conditions** of this Policy, **Our** liability under this **Clause** will be similarly reduced.

The maximum **We** will pay under this **Clause** in respect of

- (a) **Property Insured** which has suffered **Damage** is the **Sum Insured**
- (b) undamaged portions or **Property Insured** other than foundations but including water supply equipment is 15% of the amount **We** would have been liable to pay if the **Property Insured** by the item at **The Premises** where **Damage** occurred had been completely destroyed.

### (10) Lamps, Signs and Nameplates

**We** will indemnify **You** in respect of **Damage** as insured by this Section to

- (a) lamps
- (b) signs
- (c) nameplates

used in connection with **The Business** at **The Premises**.

The maximum that **We** will pay in respect of any one item is £1,000.

### (11) Description of Property

In determining the Item under which property is insured, **We** will accept the description given in **Your** business records.

### (12) Day One (Non Adjustable)

For each Item of **Property Insured** to which this Clause applies (as stated in **The Schedule**).

- (1) the first and annual premiums are based upon the **Declared Value** as stated in **The Schedule**.

**Declared Value** shall mean

**Your** assessment of the cost of reinstatement of the **Property Insured** arrived at in accordance with paragraph (1) of the Basis of Settlement – Reinstatement **Clause** at the level of costs applying at the start of the **Period of Insurance** (ignoring inflationary factors which may operate subsequently) together with an allowance for

- (a) the additional cost of reinstatement to comply with
  - (i) European Union Legislation
  - (ii) Act of Parliament
  - (iii) Bye-Laws of any public authority
- (b) professional fees
- (c) debris removal costs.

The **Declared Value** incorporated in each Item is stated in **The Schedule**.

- (2) You must notify **Us** of the **Declared Value** at the start of each **Period of Insurance**.

If **You** fail to notify **Us** of the **Declared Value** at the start of any **Period of Insurance**, **We** will use the last **Declared Value** notified to **Us** for the following **Period of Insurance**,

- (3) Paragraphs (d) and (e) of the Basis of Settlement – Reinstatement **Clause** are restated as follows
  - (a) if, at any time of the **Damage**, the **Declared Value** is less than the cost of reinstatement of the **Property Insured**, arrived at in accordance with paragraph (1) of this **Clause** at the start of the **Period of Insurance**, **Our** liability for any **Damage** will be limited to that proportion which the **Declared Value** bears to the cost of reinstatement of the **Property Insured** arrived at in accordance with paragraph (1) of this **Clause**.

- (b) **We** will not pay under this **Clause**

- (i) until **You** have incurred the cost of replacing or repairing the **Property Insured**
- (ii) if **You**, or someone acting on **Your** behalf, have insured the property under another Policy which does not have the same basis of reinstatement
- (iii) if **You** do not comply with any of the provisions of this **Clause**.

However the **Sums Insured** will be limited to 108% of the **Declared Values** stated in **The Schedule**.

- (4) The maximum **We** will pay in respect of each separate location subject to this **Clause** is as stated in **The Schedule**.

### (13) Exhibitions

**We** will indemnify **You** in respect of **Damage to Stock in Trade** whilst at any exhibition within England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man for a period not exceeding 15 days.

The maximum **We** will pay is £25,000 any one claim.

### (14) Subrogation Waiver

In the event of a claim arising under this Section, **We** agree to waive any rights, remedies or relief to which **We** may be entitled by subrogation against any company whose relationship to **You** is either a parent to subsidiary or subsidiary to parent any company which is a subsidiary of a parent company of which **You** are a subsidiary as defined in, or within the meaning of the relevant Companies Act or Companies (N.I.) Order, current at the time of the **Damage**.

### (15) Contract Sale Price

If goods sold but not delivered, for which **You** are responsible suffer **Damage** insured by this Section and because of this, the contract of sale is cancelled under the conditions of sale, **Our** liability will be on the basis of the contract price for the goods which have suffered **Damage**.

Any calculation for the purpose of **Average** will be on the basis of the contract price for all goods sold but not delivered, whether suffering **Damage** or not.

### (16) Customers Goods

The **Stock and Materials in Trade** Items stated in **The Schedule** extend to include

- (1) customers goods
- (2) goods for which **Your** customers are legally responsible, while these goods are temporarily in **Your** custody or control and for which **You** have accepted responsibility but only to the extent they are not more specifically insured.

**(17) Non-invalidation**

The insurance by this Section will not be invalidated by any

(1) act

or

(2) omission

or

(3) alteration

either unknown to **You** or beyond **Your** control which increases the risk of **Damage**.

However, **You** must

(a) notify **Us** immediately **You** become aware of any such act, omission or alteration

and

(b) pay any additional premium required.

**ADDITIONAL CLAUSES, ENDORSEMENTS AND ANY OTHER TERMS EXCEPTIONS AND CONDITIONS**

This Section is subject to any **Additional Clauses, Endorsements** and any other terms **Exceptions** and **Conditions** stated as operative or applicable in **The Schedule**.

## MONEY AND ASSAULT SECTION

(applicable only if stated in **The Schedule**)

### DEFINITIONS

(also refer to the **Policy Definitions** at the front of the booklet)

The following definitions apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### Bodily Injury

**Bodily Injury** by violent and visible means which, directly and independently of any other cause, results in death or disablement.

#### Business Hours

**Your** normal working hours and any other period during which **You** or any **Employees**, entrusted with **Money** are on **The Premises** in connection with **The Business**.

#### Insured Person

**You** or **Your** directors, principals or **Employees** aged between 16 and 75.

#### Loss of Limb

- (1) severance at or above the wrist or ankle  
or
- (2) total and permanent loss of use of a hand, arm, foot or leg.

#### Money Excess

The amount(or amounts) shown in **The Schedule** which **We** will deduct from each and every claim and will be deducted after the application of **Average**. See Policy Condition (3).

**You** will repay any such amount paid by **Us**.

### COVER – MONEY

**We** will indemnify **You** in respect of

- (1) loss of **Money**, up to the **Limit Any One Loss** stated in **The Schedule** which
  - (a) belongs to **You**
 or
  - (b) **You** are responsible for in connection with **The Business** while
    - (i) in transit
    - (ii) in the custody of collectors for 24 hours from the time they receive it or until the next working day whichever is later
    - (iii) on contract sites while **You** or **Your Employees** are working there
    - (iv) on **The Premises**
    - (v) at **Your** home or that of **Your** directors, principals or **Employees**
    - (vi) in a bank night safe until removed by the bank
- (2) the cost of replacement or repair following loss of or **Damage** to any
  - (a) safe or strongroom

- (b) any case, bag, or waistcoat used for carrying **Money** following theft or attempted theft of **Money**
- (3) loss of or **Damage** to clothing and personal belongings owned by **You**, **Your** principals or any **Employee** up to a limit of £500 per person following theft or attempted theft of **Money** involving violence or threat of violence occurring during the **Period of Insurance**.

### SPECIFICATION

#### Item 1

Cards, crossed cheques, crossed giro cheques, crossed money orders, crossed postal orders, crossed bankers' drafts, crossed warrants, national savings certificates, premium savings bonds, franking machine impressions, postage and revenue stamps, luncheon vouchers, consumer redemption vouchers, trading stamps, gift tokens, credit company sales vouchers and VAT invoices

#### Limit Any One Loss

£500,000

#### Item 2 – Money other than described in Item 1

- (a) in transit or in a bank night safe until removed by a bank official

#### Limit Any One Loss

As stated in **The Schedule**

- (b) on contract sites while **You** or any **Employee** is working there

#### Limit Any One Loss

as stated in the **Money** in Transit Limit in **The Schedule**

- (c) at **Your** home or the home of any **Employee** or principal

#### Limit Any One Loss

£500

#### Item 3 – Money other than described in Item 1 on The Premises

- (a) during **Business Hours**

#### Limit Any One Loss

as stated in **The Schedule**

- (b) contained in a locked safe outside **Business Hours**

#### Limit Any One Loss

as stated in **The Schedule**

- (c) not contained in a locked safe outside **Business Hours**

#### Limit Any One Loss

£250

- (d) in vending or gaming machines on **The Premises**

#### Limit Any One Loss

£250



**EXCEPTIONS – MONEY**

**We** will not indemnify **You** in respect of

- (1) loss or shortages due to clerical or accounting errors, or omissions, accountancy depreciation, currency fluctuation or **Consequential Loss** of any kind
- (2) loss due to the dishonesty of **Your** principals, directors or **Employees**
  - (a) not discovered within 7 working days of the loss
  - (b) where a more specific insurance is in force, except for any amount in excess of that insurance
- (3) loss of **Money** from unattended vehicles being any vehicle with no person in charge or keeping the vehicle under observation and able to observe or prevent any attempt by any person to interfere with the vehicle
- (4) loss or damage outside England, Wales, Scotland, Northern Ireland, the Channel Islands and the Isle of Man
- (5) loss resulting directly or indirectly from
  - (a) forging
  - (b) fraudulent alteration or substitution
  - (c) fraudulent use of a computer or electronic Transfer
- (6) loss resulting from use of any form of payment which proves to be
  - (a) counterfeit
  - (b) false
  - (c) invalid
  - (d) uncollectible
  - (e) irrecoverable
 for any reason.
- (7) the **Money Excess** stated in **The Schedule**.

**COVER – ASSAULT**

**We** will pay compensation to **You** for **Bodily Injury** to an **Insured Person** occurring during the Period of Insurance caused by theft violence or threat of violence or attempted theft, which happens in the course of **The Business** and directly and independently of any other cause results in any of the following contingencies

- (1) death
- (2) total and permanent loss of sight in one or both eyes
- (3) loss of one or more limbs
- (4) any other total and permanent disablement which, after 24 months of the **Bodily Injury**, prevents the **Insured Person** from pursuing any occupation
- (5) total disablement which, within 24 months of **Bodily Injury**, prevents the **Insured Person** from pursuing their normal occupation

**CLAUSES – ASSAULT****(1) Amounts Payable**

- (a) **We** will pay for any one injury
  - (i) weekly compensation at 4 weekly intervals
  - (ii) compensation under contingencies (5) and (6) for a maximum of 2 years from the date that the disablement started
- (b) weekly compensation being paid for the same injury will end if **We** pay compensation under any of contingencies (1) – (4)
- (c) insurance will end for the **Insured Person** if **We** pay compensation under any of contingencies (1) – (4)
- (d) **We** will pay the following compensation

Contingency Number	Compensation
(1)	£5,000
(2)	£5,000
(3)	£5,000
(4)	£5,000
(5)	£50 per week

**(2) Medical Evidence**

- (a) **We** may require
  - (i) an **Insured Person** to undergo medical examination or
  - (ii) a post mortem to be carried out at **Our** expense.
- (b) **You**, or **Your** legal representative will supply to **Us**, at **Your** expense, any
  - (i) certificate
  - (ii) information
  - (iii) evidence

in the format **We** require.

**CONDITIONS PRECEDENT**

The following Conditions Precedent apply.

**(1) Records and Key Security**

It is a **Condition Precedent** to **Our** liability to make any payment under this Section that

- (a) **You** shall keep a complete record of **Money** in a secure place other than in a safe or strongroom containing **Money**
- (b) outside **Business Hours** the safe or strongroom will be kept locked and the keys removed from **The Premises** unless **The Premises** are occupied by **You** or any authorised **Employee** in which case the keys will be kept in a secure place away from any safe or strongroom
- (c) whenever **The Premises** are closed for business or left unattended, all security devices to protect **The Premises** are properly fitted and put into full operation

**(2) Money in Transit**

It is a **Condition Precedent** to **Our** liability to make any payment under this Section for **Money** (other than stamped National Insurance Cards, crossed cheques, crossed giro cheques, crossed money orders, crossed postal orders, crossed bankers' drafts, crossed warrants, national savings certificates, premium savings bonds, franking machine impressions, consumer redemption vouchers, postage and revenue stamps, luncheon vouchers, trading stamps, gift tokens, credit company sales vouchers and VAT invoices) in transit that

- (a) it is accompanied by the following number of persons who must be either **You, Your** partners, directors or **Employees**

over £2,000 up to £5,000 at least 2 persons  
 over £5,000 up to £8,000 at least 3 persons  
 over £8,000 at least 4 persons

and

- (b) private transport is used for amounts greater than £2,000 where the distance exceeds half a mile.

**Our** liability will not exceed the limits stated in **The Schedule**.

**ADDITIONAL CLAUSES, ENDORSEMENT AND ANY OTHER TERMS EXCEPTIONS AND CONDITIONS**

This Section is subject to any **Additional Clauses, Endorsements** and any other terms **Exceptions** and **Conditions** stated as operative or applicable in **The Schedule**.

## COMPUTER BREAKDOWN SECTION

(applicable only if stated in **The Schedule**)

### DEFINITIONS

(also refer to the **Policy Definitions** at the front of the booklet)

The following definitions apply to this Section and shall keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

#### Breakdown

The actual breaking distortion or electrical burn-out of Any part of the **Computer Equipment** whilst in use at **The Premises** arising from defects in the item causing Sudden stoppage of its function and requiring its repair or replacement.

#### Computer Breakdown Excess

The amount (or amounts) shown in **The Schedule** which **We** will deduct from each and every claim and will be deducted after the application of **Average**. See Policy Condition (3). **You** will repay any such amount paid by **Us**.

#### Computer Equipment

All parts of the electronic data processing installation at **The Premises** including all ancillary equipment and wiring but excluding **Computer Equipment** controlling any manufacturing process.

The definition also includes laptops and other portable **Computer Equipment** anywhere in the United Kingdom When the new replacement value of such equipment has been included in the **Sum Insured**.

#### Failure of Distribution Equipment

Total failure for a period of at least 30 consecutive minutes of the electrical supply to an item of **Computer Equipment** resulting from sudden and unforeseen loss or material damage to the distribution equipment within **The Premises**.

#### Indemnity Period

The period during which **The Business** results are affected As a result of **Breakdown** of the **Computer Equipment** or **Failure of Distribution Equipment**, starting from the date of **Breakdown** or **Failure of Distribution Equipment** and lasting no longer than the **Maximum Indemnity Period**.

#### Loss of Data

Erasure destruction distortion or corruption of computer system records used with the **Computer Equipment** whilst anywhere in the world resulting from an identifiable cause but excluding the loss of or loss of use of computer system records directly resulting from pre-existing faults in or unsuitability of computer system records and also excluding losses discovered later than twelve months after the loss was initiated.

#### Maximum Indemnity Period

12 months.

## COVER

**We** will indemnify **You** in respect of

- (1) **Breakdown** of the **Computer Equipment**
- (2) Increased Cost of Working following **Breakdown** or **Failure of Distribution Equipment**

and the amount payable will be

  - (a) the additional expenses **You** reasonably incur in order to continue **The Business** during the **Indemnity Period** immediately following the occurrence less any savings in expenses as a result of the occurrence
  - (b) auditors' or accountants' charges reasonably
- (3) reinstatement of Data
 

and the amount payable will be the cost of replacing computer systems records used with the **Computer Equipment** following **Loss of Data**.

## EXCEPTIONS

**We** will not indemnify **You** in respect of

- (1) **Breakdown** of **Computer Equipment** which is not covered by a maintenance rental hire or lease agreement or manufacturer's warranty providing free parts and free labour at inclusive cost
- (2) any loss recoverable under any guarantee or maintenance rental hire or lease agreement or contract
- (3) gradual deterioration or wear and tear or deterioration due to atmospheric conditions, rust or corrosion, faulty or defective workmanship, or operational error by **You** or **Your Employees**
- (4) **Computer Equipment** more than 10 years old from the year of manufacture
- (5) **Damage to Computer and Electronic Equipment** resulting from
  - (a) its undergoing any process of production, packing, treatment, testing, commissioning, service or repair
  - (b) pollution or contamination
  - (c) acts of fraud or dishonesty
  - (d) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services
- (6) prototype equipment
- (7) the first £250 of each and every claim after the application of **Average**.
- (8) **Damage to Computer and Electronic Equipment** in the Open

## COVER EXTENSIONS

### (1) Additional Rental Charge

We will indemnify You for any justified increase in existing **Computer Equipment** rental lease or hire charges payable for the 24 month period immediately following an insured **Breakdown**.

The maximum We will pay under this Extension is £2,500.

### (2) Consulting Engineers' Fees and Claims Investigation Costs

We will indemnify You for justified costs incurred including consulting engineers' fees investigating possible repairs (whether or not successful) and, or the reinstatement of an item of **Computer Equipment** following **Breakdown**.

The maximum We will pay under this Extension is £5,000.

### (3) Incompatibility of Computer Records

If **Breakdown** results in the replacement of **Computer Equipment** with **Computer Equipment** which is Incompatible with Your undamaged computer system records

We will indemnify You against

- (a) costs of modification of the **Computer Equipment**
- (b) costs of replacing and, or reinstating computer system records reasonably incurred to achieve compatibility.

The maximum We will pay under this Extension is £5,000.

### (4) Removal of Debris and Protection from further Damage

We will indemnify You against the costs incurred in

- (a) removing debris and, or dismantling and, or demolishing any item of **Computer Equipment** following **Breakdown**
- (b) protecting any item of **Computer Equipment** whether damaged or not provided that this is necessitated by **Breakdown**.

The maximum We will pay under this Extension is £5,000.

### (5) Temporary Repairs and Expediting

We will indemnify You against justified costs incurred in making a temporary repair or in expediting a permanent repair to an item of **Computer Equipment** following **Breakdown**.

The maximum We will pay under this Extension is £5,000.

## CLAUSES

### (1) Automatic Reinstatement of Sum Insured

The **Sums Insured** and limits stated in **The Schedule** will not be reduced by the amount of any claim unless **We** or **You** give notice to the contrary.

**You** must pay the additional premium required to reinstate the **Sums Insured** and limits

### (2) Average

If at the time of replacement or repair 85% of the cost which would have been required to replace all **Computer Equipment** is greater than the **Sum Insured** at the time of the loss **You** will be liable to pay a proportionate share of the loss.

### (3) Basis of Claims Settlement – Reinstatement

If **Computer Equipment** is destroyed beyond economic repair **We** will pay for its replacement by **Computer Equipment** of equal performance and, or capacity or if this is not possible by **Computer Equipment** with the nearest higher performance and, or capacity.

If an economic repair is possible **We** will pay for the repair of the **Computer Equipment** to its condition when new.

If **Computer Equipment** is destroyed or damaged in part only **We** will not pay more than **We** would have done if the **Computer Equipment** had been completely destroyed.

### (4) Limit of Indemnity

The maximum **We** will pay under this Section will not exceed the **Sums Insured** and limits in **The Schedule** plus any extra amounts for which **We** are liable under the Extensions.

## SPECIAL CONDITION

### Precautions

**You** shall at all times take precautions to retain in efficient working condition and available for immediate use any standby or spare machinery or any other loss minimising factors in existence when this insurance was first effected.

## ADDITIONAL CLAUSES, ENDORSEMENTS AND ANY OTHER TERMS EXCEPTIONS AND CONDITIONS

This Section is subject to any **Additional Clauses, Endorsements** and any other terms **Exceptions** and **Conditions** stated as operative or applicable in **The Schedule**.

## CONDITIONS PRECEDENT

The following **Conditions Precedent** apply.

### (1) Back up Records

It is a **Condition Precedent** to **Our** liability to make any payment under this Section that **You** shall back-up computer system records (other than software programs) at least once every 24 hours and store such back-ups in a safe and secure environment.

### (2) Storage Verification and Security

It is a **Condition Precedent** to **Our** liability to make any payment under this Section that **You** shall observe the manufacturers and, or suppliers recommendations for storage verification and security of computer system records.

## EMPLOYEE DISHONESTY SECTION

(applicable only if stated in **The Schedule**)

### DEFINITIONS

(also refer to the **Policy Definitions** at the front of the booklet)

The following **Definitions** apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### The Controls

- (1) All cheques **You** issue with a value exceeding £5,000 will be signed by two authorised signatories. All cheque signatories will verify the invoices and any other vouchers against the cheque.
- (2) All **Money** received will be paid into **Your** bank in full on the day of receipt or next banking day
- (3) Where credit is allowed statements of account will be Issued direct to customers independently of **Employees** who receive or collect **Money**. If it is not possible to achieve the required independence all amounts more than one month overdue including amounts in suppressed and suspense accounts will be investigated independently
- (4) At least monthly and independently of the **Employees** responsible, **Your** records of **Money** received and expended will be reconciled with bank statements, stamped paying-in slips, receipt counterfoils, vouchers, cash in hand and unrepresented cheques to produce a balance. If it is not possible to achieve the required independence the reconciliation will be checked by an independent person
- (5) Petty cash will be subject to a full reconciliation and any balance including a check of the receipts and vouchers at least monthly and independently of the **Employees** responsible.
- (6) All stocks will be subject to independent physical checks against verified stock records. The maximum period between any two checks will be three months in respect of **Target Stock** (if **You** hold any) and six months in respect of all other stocks.

#### The Controls

The period of 12 months commencing on the date the act or acts of fraud or dishonesty are committed.

#### Employee Dishonesty Excess

The amount (or amounts) shown in **The Schedule** which **We** will deduct from each and every claim.

#### Improper Gain

The improper financial benefit to the Employee or any other person or organisation which does not form part of **You** but was intended by that Employee to receive such benefit.

**Improper Gain** does not include the payment of or increase in salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits.

#### Limit of Indemnity

Our maximum liability for **One Claim** will not exceed the limit stated in **The Schedule** (but see **Clause 1 Our Liability**).

#### One Claim

All acts of fraud or dishonesty committed by any one **Employee** or **Employees** acting in collusion during the whole period that this Section remains in force. See **Clause 2 Non-Accumulation of Liability**.

### References

Written or fully documented verbal references obtained directly From (1) to (5) below for the period of 2 years immediately preceding the commencement of employment of the **Employee** with **You**

- (1) previous employers in respect of any period(s) of employment confirming the dates and honesty of the Employee
- (2) the accountant and one other customer in respect of any period(s) of self-employment confirming the dates and honesty of the **Employee**
- (3) the school, college or similar in respect of any period(s) of full-time education confirming the dates and not indicating dishonesty by the **Employee**
- (4) the Job Centre in respect of any period(s) of unemployment of the **Employee**
- (5) where the **Employee** has been discharged from HM Forces **You** should take a copy of the original discharge papers as evidence of the dates of service.

the maximum gap between two consecutive references without a further reference for the gap should be 28 days.

if **You** cannot obtain a reference for any period **You** must obtain evidence of what the **Employee** was doing which must not indicate dishonesty (for example for overseas travel the evidence might be a copy of the passport)

### COVER

**We** will indemnify **You** against direct loss of **Money** or other property owned by **You** which occurs while this Section remains in force arising solely and directly as a result of any acts of fraud or dishonesty by any of **Your Employees**

- (1) committed while this Section remains in force with the clear intention of making and which result in **Improper Gain** and
- (2) discovered and notified to **Us** during the Discovery Period.

### Auditors Fees

**We** will also indemnify **You** up to a maximum of £2,500 against the cost of any professional audit necessarily incurred with **Our** written agreement solely to formulate the amount of loss. This cost is payable in addition to the **Limit Of Indemnity**



## EXCEPTIONS

**We** will not indemnify **You** in respect of

- (1) loss caused by or involving any **Employee**
  - (a) who **You** do not have the right to supervise and direct
  - (b) Who at the time of committing any act of fraud or dishonesty controls more than 5% interest or share in the **Policyholder**
  - (c) subsequent to discovery by **You** of actual or suspected dishonesty by the **Employee**
  - (d) whose normal place of employment is outside Great Britain, Northern Ireland, the Channel Islands and the Isle of Man
  - (e) whom **You** are unable to identify by name
- (2) the **Employee Dishonesty Excess**
- (3) any loss the proof of which is dependent upon an inventory calculation or a profit and loss calculation alone
- (4) any **Consequential Loss**
- (5) penalties and fines
- (6) loss covered by the **Money** and Assault Section of this Policy except for any amount in excess of that Section

## (4) Employees' Property

Any **Money**, salary, bond, deposit and other property in **Your** possession belonging to or owing to or in respect of an **Employee** who is the subject of a claim must be deducted from the amount of **our** claim.

## (5) Recoveries

If any amounts are recovered they will be distributed first to cover the costs of recovery then to **You** for the amount of **Your** loss in excess of the **Limit of Indemnity** then to **Us** for the amount paid under the claim and then to **You** for the **Employee Dishonesty Excess**.

## ADDITIONAL CLAUSES, ENDORSEMENTS AND ANY OTHER TERMS EXCEPTIONS AND CONDITIONS

This Section is subject to any **Additional Clauses, Endorsements** and any other terms **Exceptions** and **Conditions** stated as operative or applicable in **The Schedule**.

## CLAUSES

### (1) Our Liability

**Our** liability shall not exceed the **Limit of Indemnity** plus the amount **We** have agreed to for auditor's fees up to the maximum amount.

If **You** are unable to produce **References** for every **Employee** involved or implicated in a claim the maximum **We** will pay in respect of any **One Claim** will be £2,500 and **We** will not indemnify **You** against auditor's fees.

If **You** have not operated and complied with **The Controls** the maximum **We** will pay in respect of any **One Claim** will be £2,500 and **We** will not indemnify **You** against auditor's fees.

### (2) Non-Accumulation of Liability

If a claim results from acts of fraud or dishonesty committed in more than **one Period of Insurance** **Our** liability does not accumulate. All such acts will form part of **One Claim** and the most **We** will pay for all acts no matter in what **Period of Insurance** they were committed by any one **Employee** or **Employees** acting in collusion will be set out above in **Our Liability**.

### (3) References

**You** should retain **References** for all **Employees** as **You** Will need to produce them for each **Employee** involved or implicated in a claim who was engaged on or after the commencement date of this Section.

## BUSINESS ALL RISKS SECTION

(applicable only if stated in **The Schedule**)

### DEFINITIONS

(also refer to the **Policy Definitions** at the front of the booklet)

The following **Definitions** apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### Business All Risks Excess

The amount (or amounts) shown in **The Schedule** which **We** will deduct from each and every claim and will be deducted after the application of **Average**. See Policy Condition (3). **You** will repay any such amount paid by **Us**.

#### Portable Computer Equipment

Personal computers, small microcomputers and similar equipment used for processing and storing electronic data, and which are designed to be carried by hand.

#### Damage

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

#### Defined Contingency

- (1) fire
- (2) lightning or earthquake
- (3) explosion
- (4) aircraft and other aerial devices or articles dropped from them
- (5) riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances
- (6) malicious persons other than thieves
- (7) storm or flood
- (8) escape of water from any tank, apparatus or pipe
- (9) falling trees
- (10) impact
- (11) escape of fuel from any fixed oil heating installation

## COVER

**We** will indemnify **You** in respect of **Damage to the Property Insured** occurring during the **Period of Insurance**.

The **Sum Insured** under each item is separately subject to average. See Policy Condition (3).

The maximum **We** will pay under this Section will not exceed

- (1) the **Sum Insured** on each item
- or
- (2) the total **Sum Insured**
- or
- (3) any other maximum amount payable or limit of liability specified in **The Schedule** during any one **Period of Insurance**.

## EXCEPTIONS

**We** will not indemnify **You** in respect of

- (1) **Damage** caused by or consisting of
  - (a) an existing or hidden defect in the property
  - (b) gradual deterioration or wear and tear
  - (c) frost or change in the water table level
  - (d) faulty design of the **Property Insured** or faulty materials used in its construction
  - (e) faulty workmanship, operating error or omission by **You** or any **Employee**
  - (f) explosion of a boiler (other than a boiler being used for domestic purposes), vessel, machine or apparatus in which the internal pressure is due to steam only and which **You** own or control
  - (g) the bursting of
    - (i) a boiler
    - (ii) other equipment
 not being used for domestic purposes where the internal pressure is due to steam only and belongs to **You** or is under **Your** control.

However, **We** will indemnify **You** in respect of any subsequent **Damage** which results from a cause not otherwise excluded.

- (2) **Damage** caused by or consisting of
  - (a)
    - (i) corrosion, rust or rot
    - (ii) shrinkage, evaporation or loss of weight
    - (iii) dampness or dryness
    - (iv) scratching
    - (v) vermin or insects
    - (vi) mould or fungus
  - (b) change in
    - (i) temperature
    - (ii) colour
    - (iii) flavour
    - (iv) texture or finish
  - (c) nipple or joint leakage or failure of welds
  - (d) cracking, fracturing, collapse or overheating of a boiler, vessel, machine or apparatus in which internal pressure is due to steam only and any associated piping
  - (e) mechanical or electrical breakdown or derangement of the **Property Insured**.

However, **We** will indemnify **You** in respect of

- (i) **Damage** not otherwise excluded which itself results from a **Defined Contingency** or any other accidental cause
- (ii) any subsequent **Damage** which itself results from a cause not otherwise excluded.

- (3) **Damage** caused by pollution or contamination.

However, **We** will indemnify **You** in respect of **Damage**, not otherwise excluded, to **Property Insured** caused by

- (a) pollution or contamination which results from a **Defined Contingency**
- (b) a **Defined Contingency** which results from pollution or contamination.

- (4) **Damage** caused by or consisting of

- (a) subsidence, ground heave or landslip unless resulting from fire, explosion, earthquake or escape of water from any tank, apparatus or pipe
- (b) normal settlement of new structures
- (c) acts of fraud or dishonesty
- (d) (i) disappearance
  - (ii) unexplained or inventory shortage
  - (iii) misfiling, misplacing of information or clerical error
- (e) theft or attempted theft from any unattended motor vehicle unless there is evidence of forcible and violent entry into the vehicle.
- (f) theft or attempted theft from any unattended motor vehicle from 9pm until collected by Your driver unless
  - (i) such vehicle is garaged in a securely locked Building of substantial construction
  - or
  - (ii) a compound which has secure walls and, or fences and securely locked gates

- (5) **Damage** to the **Property Insured** by fire resulting from its undergoing any process involving the application of heat.

- (6) **Damage** to the **Property Insured** resulting from its undergoing any process of

- (a) production or packaging
- (b) treatment, testing or commissioning
- (c) servicing or repair.

However, **We** will indemnify **You** in respect of such **Damage** if it is caused by fire or explosion and is not otherwise excluded.

- (7) **Damage** while any building is **Unoccupied** caused by

- (a) escape of water from any tank, apparatus or pipe
- (b) malicious persons
- (c) theft or attempted theft.

- (8) **Damage** more specifically insured by **You** or on **Your** behalf.

- (9) **Consequential Loss** or **Damage** of any kind.

- (10) (a) **Property Insured** by any marine Policy  
 (b) property which would be insured under any marine policy if this insurance did not exist.

However **We** will indemnify **You** in respect of **Damage** not otherwise excluded for any sum beyond the amount which would have been payable under the marine Policy had this insurance not existed.

- (11) **Damage to Money.**

- (12) goods held in trust or on commission unless specifically mentioned in **The Schedule**.

- (13) the **Business All Risks Excess** stated in **The Schedule**.

## CLAUSES

The following **Clauses** apply to this Section.

### (1) Automatic Reinstatement of Sum Insured

The **Sums Insured** stated in **The Schedule** will not be reduced by the amount of any claim unless **We** or **You** give written notice to the contrary.

**You** must pay the additional premium needed to reinstate the **Sum Insured**.

### (2) Basis of Claims Settlement – Reinstatement

Unless otherwise stated in **The Schedule** in the event of **Damage** the basis upon which **We** will calculate the amount **We** will pay for any claim will be the reinstatement of the **Property Insured** lost, destroyed or damaged, subject to the following conditions

- (a) If **Property Insured** under any **Buildings, Trade Contents, Machinery and Plant** or Tenants Improvements Item(s) described in **The Schedule**, other than pedal cycles, personal items, rent or motor vehicles if insured are lost or destroyed, **We** will pay for its rebuilding or replacement by similar property in a condition as good as, but not better than or more extensive than its condition when new.

If such **Property Insured** is damaged, **We** will pay for replacement or repair of the damaged portion to a condition as good as, but not better or more extensive than, its condition when new.

However, **We** will not pay more than **We** would have done if the property had been completely destroyed.

- (b) The **Property Insured** may be replaced on another site and in a manner suitable to **Your** needs, but this must not increase **Our** liability.
- (c) All work must begin and be carried out as quickly as possible.
- (d) If at the time of replacement or repair 85% of what it would cost to replace the whole of the **Property Insured** under the Item, is greater than the **Sum Insured** at the time the **Damage** occurred, **You** will be liable to bear a proportionate share of the loss.
- (e) **We** will not pay under this **Clause**
- (i) until **You** have incurred the cost of replacing or repairing the **Property Insured**
  - (ii) if **You**, or someone acting on **Your** behalf have insured the property under another Policy which does not have a similar basis of reinstatement
  - (iii) if **You** do not comply with any of the terms of this **Clause**

## CONDITIONS PRECEDENT

The following **Condition Precedent** applies.

### (1) Portable Computer Equipment

It is a **Condition Precedent** to **Our** liability to make any payment under this Section that

- (a) when **Portable Computer Equipment** is left unattended inside any road vehicle
  - (i) the vehicle is securely locked and all security devices set in operation
  - (ii) it is kept in a locked **Building** of substantial construction or guarded security park between the hours of 9.00pm and 6.00am unless the vehicle is aboard a ship or ferry
  - (iii) the **Portable Computer Equipment** is concealed from view
  - (iv) the **Portable Computer Equipment** is stored in the boot or under the parcel shelf if the vehicle is a private car.
- (b) when **Portable Computer Equipment** is in transit by air it is carried as hand luggage
- (c) when **Portable Computer Equipment** is in transit by ship or ferry it is kept in a securely locked cabin or road vehicle aboard such vessel.

## ADDITIONAL CLAUSES, ENDORSEMENTS AND ANY OTHER TERMS EXCEPTIONS AND CONDITIONS

This Section is subject to any **Additional Clauses, Endorsements** and any other terms **Exceptions** and **Conditions** stated as operative or applicable in **The Schedule**.

## PROPERTY IN TRANSIT SECTION

(applicable only if stated in **The Schedule**)

### DEFINITIONS

(also refer to the **Policy Definitions** at the front of the booklet)  
The following definitions apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### Damage

Loss or destruction of or **Damage** to the **Property Insured**.

#### Haulier's Vehicle

Motor Vehicles or trailers operated by hauliers and other third Parties

#### Means of Transit

As stated in **The Schedule**.

#### Occurrence

An event, or number of events, arising from a single cause or occurrence occurring during the **Period of Insurance**.

#### Own Vehicle

Any motor vehicle and, or trailer and, or container which **You** own or operate.

#### Personal Effects

Personal possessions excluding cash, bank notes, credit cards, watches and jewellery.

#### Property Insured

General merchandise connected with **The Business** owned by **You** or which **You** are responsible for.

#### Property in Transit Excess

The amount (or amounts) shown in **The Schedule** which **We** will deduct from each and every claim and will be deducted after the application of **Average**. See Policy Condition (3).

**You** will repay any such amount paid by **Us**.

#### Territorial Limits

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

#### Tools

Tools, tool kits or test equipment which **You** own, or are hired by **You**, used by **You** or for which **You** are responsible in connection with **The Business**.

## COVER

**We** will indemnify **You** for an **Occurrence** occurring during the **Period of Insurance** in respect of

### (1) Damage

- (a) while in transit by the **Means of Transit** including
  - (i) loading and unloading
  - (ii) whilst temporarily stored during transit.

The maximum **We** will pay in respect of any one **Occurrence** is the **Sum Insured** as stated in **The Schedule**.

- (b) to **Your** own sheets, ropes, chains, toggles or packing materials while carried on any vehicle.

**We** will replace sheets as new if **You** prove that these were not more than one year old at the time of the **Damage**.

- (c) to **You** or **Your** drivers' **Personal Effects** in, or from, any **Own Vehicle**

The maximum **We** will pay in respect of any one person for any one **Occurrence** is £500.

**We** will not indemnify **You** or **Your** driver for **Damage** to any item insured by any other insurance Policy.

- (d) to **Tools**

- (i) in or from any **Own Vehicle**
- (ii) whilst temporarily stored during transit

The maximum **We** will pay in respect of any one **Occurrence** or from any **Own Vehicle** is £250 and £1,000 in respect of all **Occurrences** in any one **Period of Insurance**.

### (2) Debris Removal

Costs and expenses incurred by **You** with **Our** consent

- (a) in removing debris
- (b) in site clearance
- (c) for transhipment and recovery charges following collision, overturning or impact of any vehicle with any object.
- (d) to reduce or prevent claims

in the **Territorial Limits** in connection with **The Business**.

The maximum **We** will pay in respect of any one **Occurrence** is £10,000.



**EXCEPTIONS**

**We** will not indemnify **You** in respect of

- (1) **Damage** caused by
  - (a) defective or inadequate packing, insulation or labelling
  - (b) evaporation or ordinary leakage
  - (c) vermin, wear, tear, gradual deterioration or Contamination
  - (d) an existing or hidden defect in the **Property Insured**
  - (e) delay
  - (f) inadequate documentation
  - (g) indirect or **Consequential Loss**
  - (h) the **Property Insured's** own
    - (i) mechanical
    - (ii) electrical
    - (iii) electronic
    - (iv) electromagnetic derangement.

However, **We** will indemnify **You** if such **Damage** is caused by external means.

- (2) Shortage in weight.
- (3) **Damage** to the **Property Insured** caused by deterioration or variation in temperature.

However **We** will indemnify **You** if such **Damage** is caused as a result of any vehicle being directly involved in a road traffic accident.

- (4) **Damage** caused by or happening through
  - (a) confiscation, requisition or destruction by order of any government or any public authority
  - (b) riot, civil commotion, strikes, lockouts or labour disturbances.

- (5) **Damage**
  - (a) occurring outside the **Territorial Limits**
  - (b) not connected with **The Business**

- (6) **Damage** to
  - (a) audio and visual equipment
  - (b) clocks and watches
  - (c) computer hardware and software
  - (d) explosives
  - (e) furs and curios
  - (f) gold and silver articles
  - (g) jewellery and precious stones
  - (h) living creatures
  - (i) **Money** and bullion
  - (j) non-ferrous metals
  - (k) rare books and works of art
  - (l) tobaccos, cigars and cigarettes
  - (m) wines and spirits

However, **We** will indemnify **You** in respect of **Damage** to such property if the property is specifically stated as insured in **The Schedule** and the **Damage** is not otherwise excluded.

- (7) (a) **Damage** caused by theft or attempted theft of the **Property Insured** and, or **Tools or Personal Effects** from any unattended vehicle being any vehicle with no person in charge, or keeping the vehicle under observation, and able to observe or prevent any attempt by any person to interfere with the vehicle

However, **We** will indemnify **You** if **You** have ensured that

- (i) all doors, windows and other points of access have been locked where locks have been fitted  
and
  - (ii) all manufacturers' security devices have been put into effect  
and
  - (iii) the keys have been removed from any unattended vehicle  
and
  - (iv) unattached trailers have anti-hitching devices fitted and they are put into effect.
- (b) **Damage** resulting from theft or attempted theft from any unattended vehicle during the hours from 9pm until collected by **Your** driver unless such vehicle is garaged in a securely locked building of substantial construction or a compound which has secure walls and, or fences and securely locked gates
- (8) **Damage** including to, **Tools or Personal Effects**, while temporarily stored during transit for periods exceeding 30 consecutive days.
  - (9) property in transit for hire or reward.
  - (10) the **Property in Transit Excess** stated in **The Schedule**.

**CLAUSES**

The following **Clauses** apply to this Section.

**(1) Automatic Reinstatement**

The **Sums Insured** stated in **The Schedule**, will not be reduced by the amount of any claim unless **We** give **You** or **You** give **Us** written notice to the contrary. **You** must pay the additional premium required to reinstate the **Sums Insured**.

## CONDITIONS PRECEDENT

The following **Condition Precedent** applies.

### (1) Due Care

It is a **Condition Precedent** to **Our** liability to make any payment under this Section that **You** must

- (a) only employ reliable and competent drivers,  
and
- (b) take all reasonable measures to
  - (i) prevent **Damage**
  - (ii) secure loads properly
  - (iii) maintain **Your Own Vehicle** in accordance with current law
  - (iv) ensure any **Own Vehicle** is suitable for the purpose for which it is to be used
- (c) allow **Us** access to examine any **Own Vehicle** which **You** operate or premises from which **You** operate.

## ADDITIONAL CLAUSES, ENDORSEMENTS AND ANY OTHER TERMS EXCEPTIONS AND CONDITIONS

This Section is subject to any **Additional Clauses, Endorsements** and any other terms **Exceptions** and **Conditions** stated as operative or applicable in **The Schedule**.

## FROZEN FOODS SECTION

(applicable only if stated in **The Schedule**)

### DEFINITIONS

(also refer to the **Policy Definitions** at the front of the booklet)

The following definitions apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### Damage

Loss, destruction or damage.

#### Frozen Foods Excess

The amount(or amounts) shown in **The Schedule** which **We** will deduct from each and every claim in each separate refrigeration unit at **The Premises** and will be deducted after the application of **Average**. See Policy Condition (3).

**You** will repay any such amount paid by **Us**.

### COVER

**We** will indemnify **You** in respect of **Damage** occurring during the **Period of Insurance**, by deterioration or contamination, to food belonging to **You** or for which **You** are responsible, while contained in any refrigeration unit due to

- (1) a change in temperature as a result of
  - (a) the breaking, distortion or burning out of any part of the
    - (i) unit
    - (ii) unit wiring
    - (iii) supply cable to the unit, including the plug and fuse caused by mechanical or electrical defects in the unit while it is being used under normal working conditions
  - (b) failure of temperature controls to operate correctly
  - (c) accidental failure of the public electricity supply but only if this is not deliberately caused by the supply authority
- (2) accidental leakage of refrigerant or refrigerant fumes from the unit.

The maximum **We** will pay under this Section will not exceed

- (1) the **Sum Insured** on each item
 

or
- (2) the total **Sum Insured**

or
- (3) any other maximum amount payable or **Limit of Liability** specified in **The Schedule**.

### EXCEPTIONS

**We** will not indemnify **You** in respect of

- (1) **Damage** caused by
  - (a) wear and tear, deterioration or gradually developing flaws or defects in the unit
  - (b) failure to correctly set any temperature controls
- (2) The failure of refrigeration units which are
  - (i) over 15 years old
  - (ii) over 10 years old and not the subject of an annual maintenance contract with a competent refrigeration engineer or company
  - (iii) powered by a motor in excess of 2 horsepower
- (3) The **Frozen Food Excess** stated in **The Schedule**.

### CONDITION PRECEDENT

The following **Condition Precedent** applies

#### Maintenance

It is a **Condition Precedent** to **Our** liability to make any payment under this Section that **You** must ensure that **You** arrange a maintenance contract on any refrigeration unit which is over 5 years old.

### ADDITIONAL CLAUSES, ENDORSEMENTS AND ANY OTHER TERMS EXCEPTIONS AND CONDITIONS

**Additional Clauses**, **Endorsements** and any other terms **Exceptions** and **Conditions** stated as operative or applicable in **The Schedule**.

## REVENUE PROTECTION INSURANCE

### BUSINESS INTERRUPTION SECTION

(applicable only if stated in **The Schedule**)

#### Notes

All terms in this Section exclude value added tax to the extent that **You** are accountable to the tax authorities for value added tax. Any adjustment made for current cost accounting will be ignored.

#### DEFINITIONS

(also refer to the **Policy Definitions** at the front of the booklet)

The following **Definitions** apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### Annual Gross Fees

**Gross Fees** during the 12 months immediately before the date of the **Damage**

**Annual Gross Fees** may be Adjusted to reflect any trends or circumstances which

- (i) affect **The Business** before or after the **Damage**
- (ii) would have affected **The Business** had the **Damage** not occurred.

The adjusted figures will represent, as near as possible, the results which would have been achieved during the same period had the **Damage** not occurred.

#### Annual Revenue

**The Revenue** during the 12 months immediately before the date of the **Damage**

**Annual Revenue** may be Adjusted to reflect any trends or circumstances which

- (i) affect **The Business** before or after the **Damage**
- (ii) would have affected **The Business** had the **Damage** not occurred.

The adjusted figures will represent, as near as possible, the results which would have been achieved during the same period had the **Damage** not occurred.

#### Annual Turnover

The **Turnover** during that period in the twelve months immediately before the date of the **Damage** which corresponds with the **Indemnity Period**.

#### Book Debts

The total last recorded by **You** under the provisions of **Condition Precedent (2) Debit Recording** adjusted for

- (1) bad debts
- (2) amounts debited (or invoiced but not debited) and credited (including credit noted and cash not passed through the books at the time of the **Damage**) to **Customers' Accounts** in the period between the date to which the last statement relates and the date of the **Damage**, and
- (3) any abnormal condition of trade which had or could have had a material effect on **The Business**.

The figures adjusted will represent as near as possible, the figures which would have been obtained at the date of the **Damage** had the **Damage** not occurred.

#### Customers' Accounts

**Your** accounts for all customers who trade with **You** on a credit or hire purchase basis.

#### Damage

Accidental loss or destruction of or **Damage** to property used by **You** at **The Premises** for the purpose of **The Business**.

#### Defined Contingency

- (a) fire
- (b) lightning or earthquake
- (c) explosion
- (d) aircraft and other aerial devices or articles dropped from them
- (e) riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances
- (f) malicious persons other than thieves
- (g) storm or flood
- (h) escape of water from any tank, apparatus or pipe
- (i) falling trees
- (j) impact
- (k) escape of fuel from any fixed oil heating installation.

#### Estimated Gross Profit

**Your** estimate of **Gross Profit** for the financial year (proportionately increased if the **Maximum Indemnity Period** exceeds 12 months) most closely corresponding to the **Period of Insurance**.

#### Gross Fees

The **Gross Fees** paid or payable to **You** in the course of **The Business** at **The Premises**.

### Gross Profit

- (a) The combined value of the **Turnover**, closing stock and work in progress less
- (b) The combined value of opening stock and work in progress and **Uninsured Working Expenses**.

The values of opening and closing stocks and work in progress will

- (i) be calculated using **Your** usual accounting methods
- (ii) make due provision for depreciation

### Increased Cost of Working

The expenditure necessarily and reasonably incurred in order to minimise any interruption or interference with **The Business** during the **Indemnity Period**.

### Indemnity Period

The period during which **The Business** results are affected due to the **Damage**, starting from the date of the **Damage** and lasting no longer than the **Maximum Indemnity Period**.

### Maximum Indemnity Period

The number of months stated in The Schedule except where stated otherwise in any Clause in this Section.

### Notifiable Human Infectious or Contagious Disease

Acute Encephalitis, Acute Poliomyelitis, Anthrax, Chickenpox, Cholera, Diphtheria, Dysentery, Legionellosis, Legionnaires Disease, Leprosy, Leptospirosis, Malaria, Measles, Meningococcal Infection, Mumps, Ophthalmia Neonatorum, Paratyphoid Fever, Plague, Rabies, Rubella, Scarlet Fever, Smallpox, Tetanus, Tuberculosis, Typhoid Fever, Viral Hepatitis, Whooping Cough or Yellow Fever.

### Rate of Gross Profit

**Gross Profit** earned on the **Turnover** and expressed as a percentage of **Turnover**, during the financial year immediately before the date of the **Damage**.

### Revenue

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

### Standard Gross Fees

The **Gross Fees** during that period in the 12 months immediately before the date of the **Damage** which corresponds with the **Indemnity Period**.

**Standard Gross Fees** may be adjusted to reflect any trends or circumstances which

- (i) affect **The Business** before or after the **Damage**
- (ii) would have affected **The Business** had the **Damage** not occurred.

The adjusted figures will represent, as near as possible, the results which would have been achieved during the same period had the **Damage** not occurred.

### Standard Revenue

**The Revenue** during the 12 months immediately before the date of the **Damage** which corresponds with the **Indemnity Period**.

**Standard Revenue** may be Adjusted to reflect any trends or circumstances which

- (i) affect **The Business** before or after the **Damage**
- (ii) would have affected **The Business** had the **Damage** not occurred.

The adjusted figures will represent, as near as possible, the results which would have been achieved during the same period had the **Damage** not occurred.

### Standard Turnover

The **Turnover** during that period in the 12 months immediately before the date of the **Damage** which corresponds with the **Indemnity Period**.

**Rate of Gross Profit** and **Standard Turnover** may be adjusted to reflect any trends or circumstances which

- (i) affect **The Business** before or after the **Damage**
- (ii) would have affected **The Business** had the **Damage** not occurred.

The adjusted figures will represent, as near as possible, the results which would have been achieved during the same period had the **Damage** not occurred.

### Turnover

**Money** paid or payable to **You** for

- (a) goods sold and delivered
- (b) services provided

in the course of **The Business** at **The Premises**.

### Uninsured Working Expenses

- (a) Purchases (less any discounts received)
- (b) discounts allowed and
- (c) any additional **Uninsured Working Expenses** stated in **The Schedule**.

The words and expressions used in this definition will have the meaning usually attached to them in **Your** books and accounts.

## COVER

### (1) Gross Profit

In respect of each item in **The Schedule**, **We** will indemnify **You** in respect of any interruption or interference with **The Business** as a result of **Damage** occurring during the **Period of Insurance** by

- (1) any cause not excluded by the terms of the Property Damage and, or Theft Sections of **Your** Policy.
- (2) a **Defined Contingency** to boilers or other equipment on **The Premises** in which the internal pressure is due to steam only where **Damage** is not otherwise excluded

However, **We** will not indemnify **You** in respect of **Damage** Caused by

- (a) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services.

However, **We** will indemnify **You** in respect of loss resulting from **Damage**

- (i) caused by a **Defined Contingency** or from any other **Damage** not otherwise excluded
- (ii) from an ensuing cause which is not excluded
- (b) erasure or distortion of information on computer systems or other records
  - (i) while mounted in or on any machine or data processing equipment
  - or
  - (ii) due to the presence of magnetic flux unless caused by **Damage** to the equipment in which the records are mounted
- (c) change in water table level

The amount payable will be

- (i) in respect of reduction in **Turnover** the sum produced by applying the **Rate of Gross Profit** to the amount by which due to the **Damage**, the **Standard Turnover** exceeds the **Turnover** during the **Indemnity Period**.
- (ii) in respect of increase in cost of working any additional expense **You** necessarily and reasonably incur solely to prevent or limit a reduction in **Turnover** during the **Indemnity Period** which but for such additional expenses would have taken place due to the **Damage**

**We** will not pay more than **We** would pay under (i) above less any savings during the **Indemnity Period** in business charges or expenses, payable out of **Gross Profit**, which reduce or cease due to the **Damage**.

### Basis of Settlement

This insurance is limited to loss of **Gross Profit** due to

- (a) reduction in **Turnover** and
- (b) increase in cost of working.

**We** will pay

- (i) in respect of reduction in **Turnover**: the sum produced by applying the **Rate of Gross Profit** to the amount by which, due to the **Damage**, the **Standard Turnover** exceeds the **Turnover** during the **Indemnity Period**
- (ii) in respect of increase in cost of working any additional expense **You** necessarily and reasonably incur solely to prevent or limit a reduction in **Turnover** during the **Indemnity Period** which but for such additional expense would have taken place due to the **Damage**. **We** will not pay more than the amount produced by applying the **Rate of Gross Profit** to the reduction in **Turnover** avoided by the expenditure

less any savings during the **Indemnity Period** in business charges or expenses, payable out of **Gross Profit**, which reduce or cease due to the **Damage**.

### Maximum Amount Payable

The maximum amount **We** will pay is

- (a) in respect of **Gross Profit**:
  - 133.33% of the **Estimated Gross Profit** stated in **The Schedule**
- (b) overall:
  - 133.33% of the **Estimated Gross Profit** stated in **The Schedule**
  - and
  - 100% of the **Sums Insured** by other items unless otherwise agreed by **Us**.



**(2) Book Debts**

**We** will indemnify **You** in respect of loss sustained by **You** for **Book Debts** directly due to **Damage** at **The Premises** to **Your** books of account, other business books or records caused by any cause not excluded by the terms of the Property Damage and, or Theft Sections of **Your** Policy.

The amount payable in respect of any one occurrence of **Damage** will not exceed

- (a) the difference between
  - (i) the **Book Debts**
  - and
  - (ii) the total of the amounts received or traced
- (b) the additional expenditure incurred with **Our** consent in tracing and establishing customers' debit balances after the **Damage**
- (c) If **We** require any information to verify a claim **Your** professional accountants at the time of the claim may produce and report details contained in business books or records. Their report will be accepted as prima facie evidence of the details.

**We** will pay **Your** professional accountant's charges for

- (i) producing information **We** require for investigating any claim
- and
- (ii) confirming the information in accordance with **Your** business books.

The maximum amount **We** will pay for any claim, including professional accountant's fees, is the limit stated in **The Schedule**.

**We** will not indemnify **You** in respect of

- loss due to records being mislaid or misfiled
- loss arising from deliberate falsification of records
- failure to collect debts which have been traced and established.

**COVER****(3) Gross Fees**

In respect of each item in **The Schedule**, **We** will indemnify **You** in respect of any interruption or interference with **The Business** as a result of **Damage** occurring during the **Period of Insurance** by

- (1) any cause not excluded by the terms of the Property Damage and, or Theft Sections of **Your** Policy.
- (2) a **Defined Contingency** to boilers or other equipment on **The Premises** in which the internal pressure is due to steam only where **Damage** is not otherwise excluded

However, **We** will not indemnify **You** in respect of **Damage** caused by

- (a) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services.

However, **We** will indemnify **You** in respect of loss resulting from **Damage**

- (i) caused by a **Defined Contingency** or from any other **Damage** not otherwise excluded
- (ii) from an ensuing cause which is not excluded
- (b) erasure or distortion of information on computer systems or other records
  - (i) while mounted in or on any machine or data processing equipment
 or
  - (ii) due to the presence of magnetic flux unless caused by **Damage** to the equipment in which the records are mounted
- (c) change in water table level

**We** will not pay more than the reduction avoided by the expenditure less any savings during the **Indemnity Period** in business charges or expenses, payable out of **Gross Fees**, which reduce or cease due to the **Damage**.

**Maximum Amount Payable**

The maximum amount **We** will pay is

- (a) in respect of the **Annual Gross Fees** and **Standard Gross Fees**:
 

133.33% of the **Annual Gross Fees** and **Standard Gross Fees** stated in **The Schedule**
- (b) overall:
 

133.33% of the **Annual Gross Fees** and **Standard Gross Fees** stated in **The Schedule**

and

100% of the **Sums Insured** by other items unless otherwise agreed by **Us**.

**Basis of Settlement**

The insurance is limited to loss of **Gross Fees** due to

- (a) reduction in **Gross Fees**
- and
- (b) increase in cost of working.

**We** will pay

- (i) in respect of reduction in **Gross Fees**: the amount by which, due to the **Damage**, the **Standard Gross Fees** exceed the **Gross Fees** during the **Indemnity Period**
- (ii) in respect of increase in cost of working: additional expense **You** necessarily and reasonably incur solely to prevent or limit a reduction in **Gross Fees** during the **Indemnity Period** which but for such additional expense would have taken place due to the **Damage**.

**COVER****(4) Gross Revenue**

In respect of each item in **The Schedule**, **We** will indemnify **You** in respect of any interruption or interference with **The Business** as a result of **Damage** occurring during the **Period of Insurance** by

- (1) any cause not excluded by the terms of the Property Damage and, or Theft Sections of **Your** Policy.
- (2) a **Defined Contingency** to boilers or other equipment on **The Premises** in which the internal pressure is due to steam only where **Damage** is not otherwise excluded

However, **We** will not indemnify **You** in respect of **Damage** caused by

- (a) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services.

However, **We** will indemnify **You** in respect of loss resulting from **Damage**

- (i) caused by a **Defined Contingency** or from any other **Damage** not otherwise excluded
- (ii) from an ensuing cause which is not excluded
- (b) erasure or distortion of information on computer systems or other records
  - (i) while mounted in or on any machine or data processing equipment
  - or
  - (ii) due to the presence of magnetic flux unless caused by **Damage** to the equipment in which the records are mounted
- (c) change in water table level

**Maximum Amount Payable**

The maximum amount **We** will pay is

- (a) in respect of the **Annual Revenue** and **Standard Revenue**:
  - 133.33% of the **Annual Revenue** and **Standard Revenue** stated in **The Schedule**
- (b) overall:
  - 133.33% of the **Annual Revenue** and **Standard Revenue** stated in **The Schedule**
  - and
  - 100% of the **Sums Insured** by other items unless otherwise agreed by **Us**.

**Basis of Settlement**

The insurance is limited to loss of **Revenue** due to

- (a) reduction in **Revenue** and
- (b) increase in cost of working.

**We** will pay

- (a) in respect of reduction in **Revenue**: the amount by which, due to the **Damage**, the **Standard Revenue** exceed the actual **Revenue** during the **Indemnity Period**
- (b) in respect of increase in cost of working: additional expense **You** necessarily and reasonably incur solely to prevent or limit a reduction in **Gross Fees** during the **Indemnity Period** which but for such additional expense would have taken place due to the **Damage**.

**We** will not pay more than the reduction avoided by the expenditure less any savings during the **Indemnity Period** in business charges or expenses, payable out of **Revenue**, which reduce or cease due to the **Damage**.

## COVER

### (5) Increased Cost of Working

In respect of each item in **The Schedule**, **We** will indemnify **You** in respect of any interruption or interference with **The Business** as a result of **Damage** occurring during the **Period of Insurance** by

- (1) any cause not excluded by the terms of the Property Damage and, or Theft Sections of **Your** Policy.
- (2) a **Defined Contingency** to boilers or other equipment on **The Premises** in which the internal pressure is due to steam only where **Damage** is not otherwise excluded

However, **We** will not indemnify **You** in respect of **Damage** caused by

- (a) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services.

However, **We** will indemnify **You** in respect of loss resulting from **Damage**

- (i) caused by a **Defined Contingency** or from any other **Damage** not otherwise excluded
- (ii) from an ensuing cause which is not excluded
- (b) erasure or distortion of information on computer systems or other records
  - (i) while mounted in or on any machine or data processing equipment
  - or
  - (ii) due to the presence of magnetic flux unless caused by **Damage** to the equipment in which the records are mounted
- (c) change in water table level

### Basis of Settlement

- (a) **Our** liability under this Section during any one **Period of Insurance** shall not exceed the **Sum Insured**
- (b) **We** will pay **You** as indemnity in consequence of Business Interruption for Increased Cost of Working.

Increased Cost of Working means the additional expenditure necessarily and reasonably incurred in order to minimise any interruption or interference with **The Business** during the **Indemnity Period**.

### Optional Extensions

The following **Optional Extensions** apply only if stated as operative in **The Schedule**.

#### (a) Rent Receivable

**We** will pay in respect of rent receivable the difference between

- (1) the rent which would have been receivable in respect of **The Premises** during the **Indemnity Period** but for the **Damage**
- (2) the amount of rent actually received during the same period less any savings in charges or expenses of **The Business**, payable out of rent receivable, which reduce or cease due to the **Damage**.

If at the time of the **Damage** the **Sum Insured** by this item is less than the rent which, but for the **Damage** would have been receivable during the 12 months from the date of the **Damage** (proportionately increased where the **Maximum Indemnity Period** exceeds 12 months), **You** will

- (a) be **Your** own insurer for the difference
- (b) bear a rateable share of the loss.

The maximum **We** will pay is the **Sum Insured** stated in **The Schedule**.

#### (b) Additional Increased Cost of Working

**We** will pay in respect of additional cost of working the additional expenditure incurred due to the **Damage** to maintain **The Business** during the **Indemnity Period** which exceeds the amount recoverable in respect of increase in the cost of working, insured by the **Gross Profit** of this Section.

The maximum **We** will pay is the **Sum Insured** stated in **The Schedule**.

## CLAUSES

**We** will also indemnify **You** in respect of reduction in **Turnover** and increase in cost of working as insured under this Section resulting from

#### (1) Prevention of Access and Loss of Attraction

**Damage** to property in the vicinity of **The Premises** by any of the **Defined Contingencies** 1-11 which

- (a) hinders or prevents the use of **The Premises** to **You** or
- (b) causes a fall in the number of customers attracted to the vicinity of **The Premises** whether the **Property Insured** used by **You** for the purpose of **The Business** shall be damaged or not.

**We** will not indemnify **You** in respect of

- (a) loss arising as a result of obstruction by snow or flood water
- (b) loss arising as a result of **Damage** which prevents or hinders the supply of electricity, gas, water or telecommunications services.

The maximum **We** will pay under this **Clause** is £250,000 in respect of the total of all losses occurring during the **Period of Insurance**.

#### (2) Disease, Infestation and Defective Sanitation

The occurrence of

- (a) murder or suicide at **The Premises**
- (b) an illness sustained by any person caused by food or drink poisoning attributable to food or drink supplied from **The Premises**
- (c) **Notifiable Human Infectious or Contagious Disease** at **The Premises**
- (d) vermin or pests at **The Premises**
- (e) an accident which causes defects in the drains or other sanitary arrangements at **The Premises**

where use of **The Premises** is restricted on the order or advice of the competent authority.

**We** will not indemnify **You** in respect of

- (a) costs incurred in cleaning, repair, replacement, recall or checking of property,
- (b) loss arising from premises other than those directly subject to the occurrence.

The maximum **We** will pay under this **Clause** is £50,000 in respect of the total of all losses occurring during the **Period of Insurance**.

The provisions of the **Automatic Reinstatement Clause** do not apply in respect of this **Clause**.

### (3) Public Utilities

Accidental failure of public supplies of electricity or gas or water of the public supply undertaking's feed to **The Premises**.

**We** will not indemnify **You** in respect of

- (a) accidental failure which lasts less than 30 minutes
- (b) the deliberate act of any supply authority
- (c) the exercise of any supply authority power to withdraw or restrict supply
- (d) industrial action
- (e) drought
- (f) failure outside of England, Wales, Scotland, Northern Ireland, the Channel Islands and the Isle of Man
- (g) losses incurred during the first 24 consecutive hours of the **Indemnity Period**

### (4) Telecommunications

Accidental failure of the supply of telecommunication services at the incoming line terminals or receivers at **The Premises**.

**We** will not indemnify **You** in respect of

- (a) accidental failure of satellite or mobile phone services
- (b) loss incurred during the first 24 consecutive hours of the **Indemnity Period** or lasting less than 24 consecutive hours
- (c) loss as a result of failure of the telecommunications system caused by the deliberate act of any supply authority or the exercise of any supply authority's power to withdraw or restrict supply of services
- (d) failure caused by industrial action
- (e) loss caused by upgrading the system by **You** whether or not undertaken by the telecommunications authority
- (f) loss as a result of essential repair or routine maintenance work undertaken by the telecommunications authority
- (g) failure which is as a result of use of equipment by **You** which is incorrectly installed or incompatible with the telecommunications system
- (h) failure as a result of drought or other weather conditions unless equipment has been damaged
- (i) loss as a result of the inability to access
  - (i) extranets or
  - (ii) applications and any services over the internet
- (j) loss other than in England, Wales, Scotland, Northern Ireland, the Channel Islands and the Isle of Man.

The maximum **We** will pay under this **Clause** is £50,000, or 10% of the **Sum Insured** on **Gross Profit**, whichever is the less.

### (5) Transit

**Damage** to **Your** property while in transit by

- (a) road
- (b) rail
- (c) inland waterway

all in England, Wales, Scotland, or Northern Ireland

**We** will not indemnify **You** in respect of **Damage** to the conveying vehicle or craft by impact

The maximum **We** will pay under this **Clause** will not exceed £5,000 in respect of any one occurrence.

### (6) Government or Local Authority Action

Prevention of access to **The Premises** due to the actions or advice of a government or local authority due to an emergency which is likely to endanger life or property.

**We** will not indemnify **You** in respect of

- (1) any incident lasting less than 12 hours
- (2) any period other than the actual period when the access to **The Premises** was prevented
- (3) a **Notifiable Human Infectious or Contagious Disease** as defined in the current relevant legislation occurring at **The Premises**

The maximum **We** will pay under this **Clause** is £25,000, or the **Business Interruption Sum Insured** or limit shown in **The Schedule**, whichever is the lower, in respect of the total of all losses occurring during the **Period of Insurance**.

The provisions of the **Automatic Reinstatement Clause** do not apply in respect of this **Clause**.

### (7) Unspecified Customers

**Damage** to any of **Your** customers' premises within England, Wales, Scotland, Northern Ireland, the Republic of Ireland, the Channel Islands or the Isle of Man by any cause included under the **Property Damage Section**.

Provided that for the purposes of this extension the term 'customers' means those companies organisations or individuals with whom at the time of the incident **You** have contracts or trading relationships to supply goods or services.

The maximum **We** will pay under this **Clause** will not exceed £100,000 or 10% of **Gross Profit** whichever is the lower in respect of any one occurrence and in the aggregate in any one **Period of Insurance**. The provisions of the **Automatic Reinstatement Clause** do not apply in respect of this **Clause**.

### (8) Contract Sites

**Damage** to **Your** property whilst at any situation within England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man where **You** are carrying out a contract.

The maximum **We** will pay under this **Clause** will not exceed £100,000 in respect of any one occurrence, and £250,000 in the aggregate in any one **Period of Insurance**.

The provisions of the **Automatic Reinstatement Clause** do not apply in respect of this **Clause**.

### (9) Property Stored

**Damage** to **Your** property whilst stored in any premises within England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

**We** will not indemnify **You** in respect of

- (1) property stored in any premises **You** occupy
- or
- (2) property stored in any premises **You** partially occupy.

The maximum **We** will pay under this **Clause** is £100,000 or 10% of the **Business Interruption Sum Insured** or Limit shown in **The Schedule**, whichever is the lower, in respect of any one occurrence and £250,000 in the aggregate in any one **Period of Insurance**.

The provisions of the **Automatic Reinstatement Clause** do not apply in respect of this **Clause**.

### (10) Unspecified Suppliers

**Damage** to any of **Your** suppliers' premises within England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man by any cause included under the **Property Damage Section**.

**We** will not indemnify **You** in respect of **Damage** at any premises of suppliers' of electricity, gas, water or telecommunications services.

The maximum **We** will pay under this **Clause** will not exceed £100,000 or 10% of **Gross Profit** whichever is the lower in respect of any one occurrence and in the aggregate in any one **Period of Insurance**.

The provisions of the **Automatic Reinstatement Clause** do not apply in respect of this **Clause**.

### (11) Uninsured Standing Charges

Any increase in cost of working settlement will take into account any standing charges of **The Business** which are not insured (having been deducted in arriving at the **Gross Profit**)

**We** will reflect in any such settlement the proportion only of any additional expenditure which

- (a) the **Gross Profit** bears
- to
- (b) the sum of the **Gross Profit** and the uninsured standing charges.

## CONDITIONS

The following **Conditions** apply

### (1) Alteration

**We** will not indemnify **You** in respect of this Section if

- (a) **The Business** is
  - (i) wound up or carried on by a liquidator or receiver
  - (ii) permanently discontinued
- (b) **Your** interest ceases otherwise than by **Your** death, unless agreed in writing by **Us**.

### (2) Alternative Premises

The **Turnover** during the **Indemnity Period** will include any money paid or payable to **You** during the **Indemnity Period** for goods sold or services provided elsewhere than at **The Premises**.

### (3) Auditors and Professional Accountants

**We** will pay **Your** auditors and professional accountants justified charges for

- (a) producing information **We** require for investigating any claim and
- (b) confirming the information is in accordance with **Your** business books.

The maximum **We** will pay in respect of any claim, including auditors and professional accountant's charges, is the **Sum Insured**.

### (4) Automatic Reinstatement

The **Sums Insured** stated in **The Schedule** will not be reduced by the amount of any claim unless **We** or **You** give written notice to the contrary.

However, **You** must pay the additional premium required to reinstate the **Sum Insured**.

### (5) Payments on Account Clause

Claim payments on account may be made to **You** during the **Indemnity Period**, if required.

### (6) Renewal

**You** will supply, prior to each renewal, the **Estimated Gross Profit** for the financial year most closely corresponding to the following **Period of Insurance**.



## CONDITIONS PRECEDENT

The following Conditions Precedent apply

### (1) Claims Procedure

It is a **Condition Precedent** to **Our** liability to make any payment under this Section that **You** will

- (a) take any action reasonably practicable to minimise any interruption of or interference with **The Business** or to avoid or diminish the loss
- (b) at **Your** expense, provide **Us** with
  - (i) a written claim
  - and
  - (ii) details of other insurances covering the **Damage** or loss resulting from it within 30 days after the expiry of the Indemnity Period or such further time that **We** may allow
  - (iii) books, records and documents **We** require to assess **Your** claim
- (c) repay **Us**, any payment on account **We** may have already made, if **You** fail to comply with this condition.

### (2) Debit Recording

It is a **Condition Precedent** to **Our** liability to make any payment under this Section that at the end of each quarter **You** must record the total amount outstanding in **Your Customer's Accounts**. **You** must keep this information in a different building to that containing **Your** accounting and other business records.

This information may be maintained by **Your** accountant.

### (3) Material Damage Proviso

It is a **Condition Precedent** to **Our** liability to make any payment under this Section that

- (a) there is in force at the time of the **Damage** an insurance Policy covering **Your** interest in the property at **The Premises** for the **Damage**
- and
- (b) (i) payment has been made or liability admitted or
- (ii) payment would have been made or liability admitted for such **Damage** but for the exclusion of losses below a stated amount in such insurance Policy

## ADDITIONAL CLAUSES, ENDORSEMENTS AND ANY OTHER TERMS EXCEPTIONS AND CONDITIONS

This Section is subject to any **Additional Clauses, Endorsements** and any other terms **Exceptions** and **Conditions** stated as operative or applicable in **The Schedule**.

## LEGAL LIABILITIES INSURANCE

### EMPLOYERS' LIABILITY SECTION

(applicable only if stated in **The Schedule**)

#### DEFINITIONS

(also refer to the **Policy Definitions** at the front of the booklet)

The following **Definitions** apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### Bodily Injury

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

#### Compensation

Damages, including interest.

#### Costs and Expenses

- (1) Fees for **The Insured's** legal representation at
  - (a) any Coroner's inquest or Fatal Accident Inquiry
  - (b) proceedings in any Court of Summary Jurisdiction arising out of an alleged breach of statutory duty
- (2) **Costs and Expenses** incurred with **Our** written consent
- (3) Any claimant's legal costs for which **The Insured** are legally liable

in connection with any event which is or may be the subject of indemnity under this Section.

#### The Defined Territories

England, Wales, Scotland, Northern Ireland, the Isle of Man and the Channel Islands or offshore installations within the Continental Shelf around such territories.

#### The Insured

- (1) **You**.
- (2) **Your** personal representatives in respect of legal liability **You** incur.
- (3) At **Your** request
  - (a) any director, partner or **Employee of Yours**
  - (b) the officers, committees and members of **Your**
    - (i) canteen, social, sports, educational and welfare organisations
    - (ii) first aid, fire, security and ambulance services in their respective capacities as such
  - (c) any principal for whom **You** are carrying out a contract to the extent required by the contract conditions
  - (d) those who hire plant to **You** to the extent required by the hiring conditions

or the personal representative of any of these persons in respect of liability for which **You** would have been entitled to indemnity if the claim had been made against **You**.

Each indemnified party will be subject to the terms of this Section so far as they apply.

The total amount which **We** will pay will not exceed **The Limit of Indemnity** regardless of the number of parties claiming to be indemnified.

#### The Limit of Indemnity

The maximum amount, stated in **The Schedule**, including **Costs and Expenses**, which **We** will pay in respect of any or all claims against **The Insured** arising out of one cause.

#### The Territorial Limits

- (1) **The Defined Territories**
- (2) elsewhere in the world in respect of **Bodily injury** arising out of and in the course of employment by **You** in connection with **The Business** sustained by any director partner or **Employee** normally employed within the territories specified in (1) of this Definition whilst working temporarily outside such territories

#### Terrorism

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

#### COVER

**We** will indemnify **The Insured** against

- (1) legal liability to pay **Compensation** and
- (2) **Costs and Expenses**

In respect of **Bodily Injury** caused during the **Period of Insurance** to any **Employee** arising out of and in the course of employment by **You** in **The Business** within the **Territorial Limits**.

The maximum **We** will pay is **The Limit of Indemnity**.

## EXCEPTIONS

**We** will not provide indemnity in respect of

- (1) work in or on and travel to, from or within any offshore
  - (a) accommodation, exploration, drilling or production rig or platform.
  - (b) support vessel.
- (2) **Bodily Injury** sustained by any **Employee** when such person is
  - (a) carried in or upon a vehicle
  - (b) entering or getting on to, or alighting from, a Vehicle where any road traffic legislation requires insurance or security.
- (3)
  - (a) liquidated damages.
  - (b) penalty clauses.
  - (c) fines.
  - (d) aggravated, restitutionary, punitive or exemplary damages or any additional damages resulting from the multiplication of compensatory damages or other non-compensatory damages.
- (4) any liability of whatsoever nature arising out of mining, processing, manufacturing, removing, disposing of, distributing or storing of asbestos or products made entirely or mainly of asbestos.

This Exception shall not apply to the removal or disposal of asbestos or products made entirely or mainly of asbestos provided

- (a) such activity does not form part of **Your** usual business.
  - (a) the discovery of asbestos is unintentional and accidental and that upon discovery of asbestos or products made entirely or mainly of asbestos all work immediately stops.
  - (b) an asbestos removal contractor licensed by the Health and Safety Executive is employed as soon as practicable to make safe the area in which the discovery is made and who has employers' liability insurance in force for limits no less than those stated on **Your** own such policies and that such work is not excluded by the contractors own employers' liability policy
- (5) any consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or event
    - (c) **Terrorism**
    - (d) any action taken in controlling, preventing, suppressing or in any way relating to (a) above

except as stated in **Special Provision – Terrorism** below

In any action, suit or other proceedings where **We** allege that any consequence whatsoever resulting directly or indirectly from or in connection with (4) (a) and, or (4) (b) above regardless of any other contributory cause or event is not covered under this Section (or is covered only up to a specified limit of liability) the burden of proving that any such consequence is covered (or is covered beyond that limit of liability) under this Section shall be upon **You**.

### Special Provision – Terrorism

Subject otherwise to the terms of the Policy

Neither of the exclusions in (5) (a) and (5) (b) above shall apply to the **Employers' Liability Section** but the **Limit of Indemnity** for the purpose of this **Special Provision – Terrorism** is limited to £5,000,000 including **Costs and Expenses**.

## CLAUSES

The following **Clauses** apply to this Section.

### (1) Additional Activities

**The Business** includes

- (a) ownership, use and upkeep of **Your** premises
- (b) upkeep of vehicles and plant owned and used by **You**
- (c) canteen, social, educational and welfare organisations for the benefit of any **Employee**.
- (d) **Your** first aid, fire, security and ambulance services.
- (e) **Your** participation in exhibitions
- (f) private work by any **Employee**, with **Your** prior consent, for **You** or for any director, partner or **Employee of Yours**.

### (2) Cross Liabilities

**We** will indemnify each party named as **The Policyholder** in **The Schedule** as if a separate Policy had been issued to each.

The total amount payable will not exceed **The Limit of Indemnity** regardless of the number of parties claiming to be indemnified.

### (3) Legal Expenses arising from Health and Safety Legislation

**We** will indemnify **The Insured** in respect of

- (a) legal fees and expenses incurred with **Our** written consent for defending proceedings, including appeals
- (b) costs of prosecution awarded against **The Insured**

which arise from any health and safety inquiry or criminal proceedings for any breach of health and safety legislation of England, Wales, Scotland, Northern Ireland, the Isle of Man or the Channel Islands.

**We** will not provide indemnity

- (1) unless the proceedings relate to an actual or alleged act, omission or incident committed during the **Period of Insurance** within **The Defined Territories** and in connection with **The Business**.
- (2) in respect of proceedings which
  - (a) result from any deliberate act or omission by any party claiming to be indemnified.
  - (b) proceedings relating to the health and safety of any person other than an **Employee**.
- (3) where indemnity is provided by another insurance Policy.

### (4) Our Right of Recovery

The indemnity granted by this Section is deemed to be in accordance with the provisions of any law relating to the compulsory insurance of liability to **Employees** in England, Wales, Scotland, Northern Ireland, the Isle of Man or the Channel Islands.

However, **You** will repay to **Us** all sums **We** would not have been liable to pay but for the provisions of such law.

**(5) Payment for Court Attendance**

**We** will compensate **You** if, at **Our** request, **You**, any director, partner or **Employee** of **Yours** is attending court as a witness in connection with a claim for which **The Insured** are entitled to indemnity.

The maximum **We** will pay for

- (1) **You**, each director or partner is £250 per day
- (2) each **Employee** is £150 per day

**(6) Unsatisfied Court Judgments**

**We** will, at **Your** request, pay any **Employee** or his or her personal representative, the amount of damages and costs awarded to such person as a result of a judgment which has been obtained for **Bodily Injury** against any company registered in or any individual domiciled in **The Defined Territories** and which remain unpaid six months after the date of such judgment.

Payment will only be made where

- (i) the **Bodily Injury** was caused during any **Period of Insurance** to the **Employee** arising out of and in the course of employment by **You** in **The Business**.
- (ii) the judgment was obtained in a court within **The Defined Territories**.
- (iii) there is no appeal outstanding to the judgment.
- (iv) the **Employee**, or his or her personal representative, assigns the judgment debt to **Us**.

**We** will not provide indemnity in respect of any agreement for or including the performance of work outside **The Defined Territories**.

**ADDITIONAL CLAUSES, ENDORSEMENTS AND ANY OTHER TERMS EXCEPTIONS AND CONDITIONS**

**Additional Clauses, Endorsements** and any other terms **Exceptions** and **Conditions** stated as operative or applicable in **The Schedule**.

## PUBLIC AND PRODUCTS

### LIABILITY SECTION

(applicable only if stated in **The Schedule**)

#### DEFINITIONS

(also refer to the **Policy Definitions** at the front of the booklet)

The following definitions apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### Bodily Injury

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

#### Compensation

Damages, including interest.

#### Costs and Expenses

- (1) Fees for **The Insured's** legal representation at
  - (a) any Coroner's Inquest or Fatal Accident Inquiry
  - (b) proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty.

- (2) **Costs and Expenses**

incurred with **Our** written consent

- (3) Any claimant's legal costs for which **The Insured** are legally liable

in connection with any event which is or may be the subject of indemnity under this Section.

#### Damage

Physical

- (1) loss.
- (2) destruction.
- (3) damage.

#### Limit of Indemnity

The maximum amount, stated in **The Schedule**, which **We** will pay in respect of any one event or all events of a series consequent on or attributable to one original cause

In respect of

- (1) **Products Supplied**
- (2) **Pollution or contamination**

the **Limit of Indemnity** will apply to the total of all events happening in any one **Period of Insurance**.

#### Personal Injury

- (1) **Bodily Injury**
- (2) Wrongful
  - (a) arrest, detention or imprisonment
  - (b) eviction
  - (c) accusation of shoplifting.

#### Pollution or Contamination

- (1) **Pollution or Contamination** of buildings or other structures or of water or land or the atmosphere and
- (2) all loss, **Damage to Property** and **Bodily Injury** directly or indirectly caused by such **Pollution or contamination**.

#### Products Supplied

Anything which is

- (1) manufactured, sold, supplied, processed, altered or treated
- (2) repaired, serviced or tested
- (3) installed, constructed, erected or transported

by **You** or on **Your** behalf which is no longer in the custody or control of **The Insured**.

#### Property

Material property.

#### Public and Products Liability Excess

The amount (or amounts) payable by **You** or any other person entitled to indemnity in respect of any **Damage** to Property arising out of any one event or series of events consequent upon or attributable to one source or original cause before **We** shall be liable to make any payment **You** will repay any such amount paid by **Us**.

**The Excess** is £250 except where expressly varied by **Endorsement**

#### The Defined Territories

England, Wales, Scotland, Northern Ireland, the Isle of Man and the Channel Islands or offshore installations within the Continental Shelf around such territories.

#### The Insured

- (1) **You**.
- (2) **Your** personal representatives in respect of legal liability **You** incur.
- (3) At **Your** request
  - (a) any director, partner or **Employee of Yours**
  - (b) the officers, committees and members of **Your**
    - (i) canteen, social, sports, educational and welfare organisations
    - (ii) first aid, fire, security and ambulance services in their respective capacities as such
  - (c) any principal for whom **You** are carrying out a contract to the extent required by the contract conditions

(d) those who hire plant to **You** to the extent required by the hiring conditions

or the personal representative of any of these persons in respect of liability for which **You** would have been entitled to indemnity if the claim had been made against **You**.

Each indemnified party will be subject to the terms of this Section so far as they apply.

The total amount which **We** will pay will not exceed the **Limit of Indemnity** regardless of the number of parties claiming to be indemnified.

### The Territorial Limits

- (1) **The Defined Territories**
- (2) elsewhere in the world in respect of **Bodily injury** or physical loss by or arising from **Your** activities or those of any director partner or **Employee** normally employed within the territories specified in (1) of this Definition and occurring during any temporary visit made in connection with the **Business** whilst working temporarily outside such territories

### Terrorism

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

### The Works

All works completed or to be completed by **You** or on **Your** behalf including

- all materials incorporated or to be incorporated
- plant, tools, equipment and temporary buildings used or to be used
- for the period during which **You** are responsible under contract conditions.

### COVER

**We** will indemnify **You** against

- (1) legal liability to pay **Compensation**

and

- (2) **Costs and Expenses**

in respect of accidental

- (a) **Personal Injury**
- (b) **Damage to Property**
- (c) obstruction, trespass, nuisance or interference with any right of way, air, light or water

which arises in connection with **The Business** and which happens during the **Period of Insurance** and within **The Territorial Limits**.

The maximum **We** will pay is **The Limit of Indemnity** and any **Costs and Expenses**. However, in respect of any claim brought in

- (1) the United States of America or any territory within its Jurisdiction
- (2) Canada

the maximum **We** will pay, inclusive of **Costs and Expenses**, is **The Limit of Indemnity**.

**We** will not provide indemnity in respect of any agreement for or including the performance of work outside **The Defined Territories**.

### EXCEPTIONS

**We** will not provide indemnity in respect of

- (1) **Personal Injury** to any **Employee** arising out of and in the course of employment by **You** in **The Business**.
- (2) the ownership, possession or use by or on behalf of **The Insured** of any
  - (a) aircraft, aerial device or hovercraft.
  - (b) watercraft exceeding 8 metres in length.
  - (c) motor vehicle, trailer or plant in circumstances where compulsory insurance or security is required by any road traffic legislation other than
    - where described in the **Motor Contingent Liability Clause**.
    - the loading or unloading of any such vehicle, trailer or plant
 where indemnity is not provided by another insurance Policy.
- (3) **Damage to Property**
  - (a) which **You** own or is loaned, leased, hired or rented to **The Insured**
  - (b) which is held in trust or in the custody or control of
    - (i) **The Insured**
    - (ii) any other party who is carrying out work on **Your** behalf other than in the circumstances described in the **Hired or Rented Premises Clause** or the **Employees' and Visitors' Personal Belongings Clause**.
  - (c) which requires to be insured under the terms of Clause 6.5.1. of the Standard Form of Building Contract issued by the Joint Contracts Tribunal or a clause of similar intent under other contract conditions.
- (4) **Damage** to or the cost incurred by anyone in repairing, removing, replacing, reapplying, rectifying or reinstating
  - (a) **Products Supplied** (other than **Products Supplied** under a separate contract).
  - (b) **The Works**
- (5) recalling or making refunds in respect of
  - (a) **Products Supplied**.
  - (b) **The Works**.
- (6) advice, instruction, consultancy, design, formula, specification, inspection, certification or testing performed or provided separately for a fee or under a separate contract.
- (7) the carrying out of any work or any **Products Supplied** which affects or could affect
  - (a) the navigation, propulsion or safety of any aircraft or other aerial device.
  - (b) the safety or operation of nuclear installations.
- (8) **Pollution or Contamination** occurring
  - (a) within the United States of America or Canada
  - (b) elsewhere than within the United States of America or Canada unless 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**



**Provided that**

in respect of any liability for which indemnity is not excluded under the terms of Section Exception 8) b) above

- (i) all **Pollution or Contamination** which arises out of one incident shall be deemed to have occurred at the time such incident takes place
  - (ii) **Our** liability for all damages under this Section payable in respect of all **Pollution or Contamination** which is deemed to have occurred during any one **Period of Insurance** shall not exceed in the aggregate the amount stated in **The Schedule** to this Section as the **Limit of Indemnity for Public Liability** (or **Products Liability** if **Public Liability** cover is not operative).
- (9) (a) work in or on and travel to, from or within  
(b) **Products Supplied** to any  
offshore
- (i) accommodation, exploration, drilling or production rig or platform.
  - (ii) support vessel.
- (10) (a) liquidated damages.  
(b) penalty clauses.  
(c) fines.  
(d) aggravated, restitutionary, punitive or exemplary damages or any additional damages resulting from the multiplication of compensatory damages or other non-compensatory damages.
- (11) liability imposed on **You** solely by reason of the terms of any contract conditions or agreement in connection with **Products Supplied**.
- (12) any liability of whatsoever nature arising out of mining, processing, manufacturing, removing, disposing of, distributing or storing of asbestos or products made entirely or mainly of asbestos.
- This Exception shall not apply to the removal or disposal of asbestos or products made entirely or mainly of asbestos provided
- (a) such activity does not form part of **Your** usual business.
  - (b) the discovery of asbestos is unintentional and accidental and that upon discovery of asbestos or products made entirely or mainly of asbestos all work immediately stops.
  - (c) an asbestos removal contractor licensed by the Health and Safety Executive is employed as soon as practicable to make safe the area in which the discovery is made and who has employers' liability insurance in force for limits no less than those stated on **Your** own such policies and that such work is not excluded by the contractors own employers' liability policy
- (13) any consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or event
- (a) **Terrorism**
  - (b) any action taken in controlling, preventing, suppressing or in any way relating to (a) above

except as stated in **Special Provision – Terrorism** below.

In any action, suit or other proceedings where We allege that any consequence whatsoever resulting directly or indirectly from or in connection with (13) (a) and, or (13) (b) above regardless of any other contributory cause or event is not covered under this Section (or is covered only up to a specified limit of liability) the burden of proving that such consequence is covered (or is covered beyond that limit of liability) under this Section shall be upon **You**.

**Special Provision – Terrorism**

Subject otherwise to the terms of the Policy Neither of the exclusions in (13) (a) and (13) (b) above shall apply to the **Public and Products Liability Section** but **The Limit of Indemnity** for the purpose of this **Special Provision – Terrorism** is limited to £2,000,000 or any other amount specified in the Policy for **Public** and, or **Products Liability** whichever is the lower.

**CLAUSES**

The following **Clauses** apply to this Section.

**(1) Additional Activities**

**The Business** includes

- (a) ownership, use and upkeep of **Your** premises
- (b) upkeep of vehicles and plant owned and used by **You**
- (c) **Your** canteen, social, sports, educational and welfare organisations for the benefit of any **Employee**.
- (d) **Your** first aid, fire, security and ambulance services.
- (e) **Your** participation in exhibitions
- (f) private work by any **Employee**, with **Your** prior consent, for **You** or for any director, partner or **Employee**.

**(2) Cross Liabilities**

**We** will indemnify each party

- (a) named as the **Policyholder** in **The Schedule**
- (b) entitled to indemnity under this Section

as if a separate Policy had been issued to each.

The total amount payable will not exceed the **Limit of Indemnity** regardless of the number of parties claiming to be indemnified.

**(3) Defective Premises**

**We** will indemnify **The Insured** in respect of legal liability for accidental **Bodily Injury** or **Damage to Property** arising under

- (a) the Defective Premises Act 1972
- (b) the Defective Premises (Northern Ireland) Order 1975 or the Defective Premises (Landlord's Liability) Act (Northern Ireland) 2001

in connection with any premises which **You** previously owned or occupied for the purposes of **The Business**.

**We** will not provide indemnity in respect of the cost of rectifying any defect or alleged defect in such premises.

#### (4) Legal Expenses arising from Health and Safety Legislation

We will indemnify **The Insured** in respect of

- (a) legal fees and expenses incurred with **Our** written consent for defending proceedings, including appeals
- (b) costs of prosecution awarded against **The Insured** which arise from any health and safety inquiry or criminal proceedings for any breach of health and safety legislation of England, Wales, Scotland, Northern Ireland, the Isle of Man or the Channel Islands.

We will not provide indemnity

- (1) unless the proceedings relate to an actual or alleged act, omission or incident committed during the **Period of Insurance** within **The Defined Territories** and in connection with **The Business**.
- (2) in respect of proceedings which
  - (a) result from any deliberate act or omission by **You**.
  - (b) relate to the health and safety of any **Employee**.
- (3) where indemnity is provided by another insurance Policy.

#### (5) Hired or Rented Premises

We will indemnify **The Insured** in respect of legal liability for accidental damage to premises (including fixtures and fittings) within **The Defined Territories** which are hired, rented or loaned to **The Insured** in connection with **The Business**.

We will not provide indemnity in respect of

- (1) the first £250 of **Compensation, Costs and Expenses** in respect of such **Damage** caused other than by fire or explosion.
- (2) liability imposed on **The Insured** solely by reason of the terms of any hiring or renting agreement.
- (3) **Damage** caused by fire or any other peril against which any hiring or renting agreement specifies that insurance is taken out by **The Insured**.

#### (6) Motor Contingent Liability

We will indemnify **You** in respect of **Your** legal liability for accidental **Bodily Injury** and **Damage to Property** which arises from any vehicle or trailer attached thereto which is

- (1) (a) not owned by
  - (b) not loaned, leased, hired or rented to

**You** nor provided by **You**

and

- (2) being used in connection with **The Business** in **The Defined Territories**.

We will not provide indemnity

- (1) in respect of **Damage** to the vehicle or trailer or goods carried in or on the vehicle or trailer
- (2) while the vehicle is being driven by
  - (a) **You**
  - (b) any person who to **Your** knowledge or that of **Your** representatives does not hold a licence to drive the vehicle unless such person has held and is not disqualified from holding or obtaining such a licence
- (3) where indemnity is provided by another insurance Policy.

#### (7) Overseas Personal Liability

We will indemnify **You** and, at **Your** request, any director, partner, proprietor or **Employee** of **Yours** in respect of legal liability for accidental **Bodily Injury** or **Damage to Property** incurred in a personal capacity whilst such persons are temporarily outside **The Defined Territories** in connection with **The Business**.

We will also indemnify any accompanying spouse and children.

Where **You** are an individual, this indemnity will also apply to **Your** personal liability whilst away from **Your** business premises in connection with **The Business** but within **The Defined Territories**.

We will not provide indemnity

- (1) where liability arises from
  - (a) any agreement unless liability would have existed otherwise.
  - (b) ownership or occupation of land or buildings.
  - (c) the carrying on of any trade or profession.
  - (d) ownership, possession or use of wild animals, firearms (other than sporting guns), mechanically propelled vehicles, aircraft or watercraft.
- (2) where indemnity is provided by another insurance Policy.

#### (8) Payment for Court Attendance

We will compensate **You** if, at **Our** request, **You**, any director, partner or **Employee** of **Yours**, is attending court as a witness in connection with a claim for which **You** are entitled to indemnity.

The maximum **We** will pay for

- (a) **You**, each director or partner is £250 per day
- (b) each **Employee** is £150 per day

#### (9) Legal Expenses arising from Consumer Protection Act 1987 and Food Safety Act 1990

We will indemnify **The Insured** in respect of

- (1) legal fees and expenses incurred with **Our** written consent for defending proceedings, including appeals

(2) costs of prosecution awarded against **The Insured**

which arise from criminal proceedings for any breach of Part II of the Consumer Protection Act 1987 or Part II of the Food Safety Act 1990.

**We** will not provide indemnity

- (1) unless the proceedings relate to an actual or alleged act, omission or incident committed during the **Period of Insurance** within **The Defined Territories** and in connection with **The Business**.
- (2) in respect of proceedings which result from any deliberate act or omission by **You**.
- (3) where indemnity is provided by another insurance Policy.

### **(10) Employees' and Visitors' Personal Belongings**

**We** will indemnify **The Insured** in respect of legal liability for accidental **Damage** to employees' and visitors' vehicles and personal belongings which are in the custody or control of **The Insured**.

**We** will not provide indemnity where this property is

- (1) loaned, leased, hired or rented to **You**.
- (2) stored for a fee or other consideration by **You**.
- (3) in the custody or control of **The Insured** for the purposes of being worked upon.

### **(11) Contractual Liability**

**We** will indemnify **The Insured** against liability in respect of accidental **Bodily Injury** or **Damage** to Property imposed on **You** solely by reason of the terms of any agreement provided that the conduct and control of any claim is vested in **Us**.

**We** will not provide indemnity in respect of any agreement for or including the performance of work outside **The Defined Territories**.

## **ADDITIONAL CLAUSES, ENDORSEMENTS AND ANY OTHER TERMS EXCEPTIONS AND CONDITIONS**

This Section is subject to any **Additional Clauses, Endorsements** and any other terms **Exceptions** and **Conditions** stated as operative or applicable in **The Schedule**.

## LOSS OF LICENCE SECTION

(applicable only if stated in **The Schedule**)

### DEFINITIONS

(also refer to the **Policy Definitions** at the front of the booklet)  
The following definitions apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### Loss of Licence

- (1) forfeiture due to licencing regulations
- (2) refusal to renew, suspension or withdrawal by the licencing authority due to causes beyond **Your** control.

#### Licence

**Licence** for the sale of excisable liquor.

### COVER

**We** will pay **You** for reduction in the value of **Your** interest in

- (1) **The Premises** or
- (2) **The Business**

following **Loss of Licence**.

The most **We** will pay is the Limit of Liability stated in **The Schedule**. In addition **We** will pay for costs and expenses, incurred with **Our** written consent where **You** appeal against the **Loss of Licence**.

### EXCEPTIONS

**We** will not pay

- (1) where **You** can obtain statutory compensation for **Loss of Licence**
- (2) where **Loss of Licence** arises out of
  - (a) any town or country planning, improvement or redevelopment
  - (b) compulsory purchase or surrender
  - (c) reduction or redistribution of licences
  - (d) a change in the law.

### ADDITIONAL CLAUSES, ENDORSEMENTS AND ANY OTHER TERMS EXCEPTIONS AND CONDITIONS

**Additional Clauses, Endorsements** and any other terms **Exceptions** and Conditions stated as operative or applicable in **The Schedule**.

### CONDITION PRECEDENT

The following **Condition Precedent** applies

#### (1) Change in Risk

It is a **Condition Precedent** to **Our** liability to make any payment under this Section that **You** shall notify **Us** in writing immediately **You** become aware of

- (a) a change in tenancy or management of **The Premises**
- (b) a transfer or proposed transfer of the **Licence**
- (c) a complaint against **The Premises** or the control of **The Premises**
- (d) any action against the
  - (i) **Licence** holder
  - (ii) manager
  - (iii) tenant or other occupier of **The Premises**

for any breach of the licencing law, or any other matter where the integrity of the person concerned is brought into question.

- (e) objection to renewal of the **Licence**, or other reasons which could endanger the **Licence** or its renewal.

#### (2) Notification

It is a **Condition Precedent** to **Our** liability to make any payment under this Section that in the event of **Loss of Licence**, **You** must inform **Us** in writing within 24 hours. **You** are also required to provide any assistance or information **We** may request.

## TERRORISM INSURANCE SECTION

(applicable only if stated in **The Schedule**)

### DEFINITIONS

(also refer to the **Policy Definitions** at the front of the booklet)

The following definitions apply to this Section and shall keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

- (1) **Virus or Similar Mechanism** shall mean 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.
- (2) **Hacking** shall mean 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.
- (3) **Denial of Service Attack** shall mean 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.
- (4) **Terrorism** shall mean an 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 where such act has been certified as an act of terrorism by Her Majesty's Government or HM Treasury or any successor or other relevant authority.
- (5) **Excess** shall mean the total amount payable by **You** or any other person entitled to indemnity in respect of any **Damage to Property Insured** arising out of any one claim or series of claims arising out of any one event before the **We** shall be liable to make any payment.
- (6) **Damage** shall mean loss of or physical **Damage** to the **Property Insured**.
- (7) **Consequential Loss** shall mean loss resulting from interruption of or interference with **The Business** carried on by **You** at **The Premises** in consequence of an Incident to property used by **You** at **The Premises** for the purpose of **The Business**.
- (8) **Incident** shall mean loss of or physical damage to the **Property Insured** or property used by **You** at **The Premises** for the purpose of **The Business**.

- (9) **Nuclear Installation** shall mean any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time by statutory instrument being an installation designed or adapted for
  - (a) the production or use of atomic energy or
  - (b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiations or
  - (c) the storage processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter being matter which has been produced or irradiated in the course of the production or use of nuclear fuel.
- (10) **Nuclear Reactor** shall mean any plant (including any machinery equipment or appliance whether affixed to land or not) designed or adapted for the production of atomic energy by a fission process in which a controlled chain reaction can be maintained without an additional source of neutrons.
- (11) **Private Individual** shall mean any person other than
  - (a) a Trustee or body of Trustees where insurance is arranged under the terms of a trust.
  - (b) a person who owns **Residential Property** for the purpose of their business as a sole trader

The definition of **Private Individual** shall include two or more persons where insurance is arranged in their several names and, or the title of the Insured includes the name of a bank or building society or other financial institution for the purpose of noting their interest in the **Property Insured**.

- (12) **Residential Property** shall mean houses and blocks of flats and other dwellings (including household contents and personal effects of every description)
- (13) **Phishing**  
Any access or attempted access to data or information made by means of misrepresentation or deception.

### THE COVER

**Damage or Consequential Loss** in England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 occasioned by or happening through or in consequence of **Terrorism**.

#### Limit of Liability

**Our** liability for **Damage** under this Section shall not exceed the **Sum Insured** by each item of the Appendix in respect of any one **Period of Insurance** or limit specified in any Extension to the **Property Damage Section**.

**Our** liability for **Consequential Loss** under this Section shall not exceed in the whole the total **Sum Insured** under the **Business Interruption Section** or in respect of any item the **Sum Insured** or any other limit of liability stated as the **Basis of Claims Settlement** at the time of the **Consequential Loss** for that item under the **Business Interruption Section**.

## EXCEPTIONS

**We** will not indemnify **You** for

- (1) any loss whatsoever or any **Consequential Loss** directly or indirectly occasioned by or happening through or in consequence of riot civil commotion war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power.
- (2) digital or cyber risks, that is any loss whatsoever directly or indirectly caused by contributed by or arising from or occasioned by or resulting from
  - (i) the alteration, modification, distortion, corruption of or **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);or
  - (ii) any alteration, modification, distortion, erasure, corruption of data processed by any such computer or other equipment or component or system or item.

whether the property of **You** or not, where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from **Virus or Similar Mechanism** or **Hacking** or **Phishing** or **Denial of Service Attack**
- (3) any loss whatsoever or any **Consequential Loss** resulting or arising from **Damage** to any **Nuclear Installation** or **Nuclear Reactor** and all fixtures and fittings situated thereon and attached thereto and all pipes wires cables drains or other conduits or service media of any description which are affixed or connected to or in any way serve such **Nuclear Installation** or **Nuclear Reactor**
- (4) in respect of **Residential Property** insured in the name of a **Private Individual** 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
  - (i) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
  - (ii) ionising radiation or contamination by radioactivity or from the combustion of any radioactive material
  - (iii) chemical and, or biological and, or radiological irritants contaminants or pollutants
- (5) any **Damage** or cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with any action taken in controlling preventing suppressing or in any way relating to **Terrorism**
- (6) the **Excess**

## CONDITIONS

- (1) In any action suit or other proceedings where **We** allege that any **Damage** or **Consequential Loss** is not covered the burden of proving that such loss is covered shall be upon **You**.
- (2) Any terms in this Policy which provide for adjustments of premium based upon declarations on expiry or during the **Period of Insurance** do not apply to **Terrorism Insurance**
- (3) If this Policy is subject to any Long Term Agreement/ Undertaking it does not apply to **Terrorism Insurance** All the terms **Definitions** provisions **Conditions, Exceptions** and extensions of the Policy apply except in so far as they are hereby expressly varied.



## POLICY EXCEPTIONS

**We** will not provide indemnity in respect of

- (1) any consequence whatsoever resulting directly or indirectly from or in connection with any of the following, regardless of any other contributory cause or event
  - (a) war invasion, act of a foreign enemy, hostilities or a warlike operation or operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power
  - (b) nationalisation, confiscation, requisition, seizure or destruction by the Government or any public authority
  - (c) any action taken in controlling, preventing, suppressing or in any way relating to (1)(a) and, or (1)(b) above.

However,

- (1) exceptions (1) (a) (1)(b) and (1)(c) do not apply to the Employers' Liability Section or to the Terrorism Insurance Section when insured by this Policy
  - (2) exception (1) (b) does not apply to the Public and Products Liability Section when insured by this Policy.
- (2) death or disablement, loss or destruction of or damage to any property, any loss or expense whatsoever, any **Consequential Loss** or any legal liability
    - (a) directly or indirectly caused by or contributed to by or arising from
      - (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
      - (ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
    - (b) directly or indirectly caused by or contributed to by or arising from the use of or threatened use of any weapon
      - (i) dispersing radioactive material and, or ionising radiation
      - (ii) using atomic or nuclear fission and, or fusion or other like reaction.

However,

- (a) exception (2) (b) does not apply to the following Sections, when insured by this Policy
  - (i) Employers' Liability
  - (ii) Public and Products Liability
- (b) exception (2) (a) does not apply to the Employers' Liability Section unless under a contract or agreement **You** have undertaken to
  - (i) indemnify another party
  - (ii) assume the liability of another party
- (c) exceptions (2) (a) and (2)(b) do not apply to the following Sections, when insured by this Policy
  - (i) **Terrorism Insurance**.

- (3) (not applicable to the Legal Liabilities Insurance Section) any liability, death, injury loss, destruction or damage or any cost or expense of whatsoever nature or wheresoever arising resulting directly or indirectly from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to this loss
  - (a) Terrorism
  - (b) civil commotion in Northern Ireland but this shall only apply to the **Property Damage** and Business Interruption Sections when insured by this Policy
  - (c) any action taken in controlling, preventing, suppressing or in any way relating to (3)(a) and, or (3)(b) above

In any action, suit or other proceedings where **We** allege that any consequence whatsoever resulting directly or indirectly from or in connection with 3(a) and 3(c) above regardless of any other contributory cause or event is not covered by this Policy (or is covered only up to a specified limit of liability) **You** will have to prove that any such consequence is covered (or is covered beyond that limit of liability).

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

- (4) loss, destruction or **Damage** directly caused by pressure waves from aircraft or other aerial devices.
- (5) loss, destruction or **Damage** to
  - (a) **Money**
  - (b) securities or bonds
  - (c) jewellery or precious stones
  - (d) precious metals or bullion
  - (e) furs or curios
  - (f) rare books or works of art
  - (g) property in transit
  - (h) goods held in trust or on commission
  - (i) documents or manuscripts
  - (j) business books or computer systems records
  - (k) explosives

unless specifically mentioned.

However, exceptions 5(a) to (5)(k) do not apply to the following Sections when insured by this Policy.

- Terrorism
- Employers' Liability
- Public and Products Liability

**DEFINITION**

The following definition only applies to this exception (6)

**Defined Contingency**

Fire, lightning, explosion, aircraft and other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, escape of water from any tank, apparatus or pipe, impact by any road vehicle or animal, or theft.

- (6) any claim which arises directly or indirectly from or consists of the failure or inability of any
- (a) electronic circuit, microchip, integrated circuit, microprocessor, embedded system, hardware, software, firmware, program, computer, data processing equipment, telecommunication equipment or systems, or any similar device
- (b) media or systems used in connection with anything referred to in (6)(a) above
- whether **Your** property or not, at any time to achieve any or all of the purposes and consequential effects intended by the use of any number, symbol or word to denote a date and this includes without any limitation the failure or inability to recognise, capture, save, retain or restore and, or correctly to manipulate, interpret, transmit, return, calculate or process any date, data, information, command, logic or instruction as a result of
- (i) recognising, using or adopting any date, day of the week or period of time, otherwise than as, or other than, the true or correct date, day of the week or period of time
- (ii) the operation of any command or logic which has been programmed or incorporated into anything referred to in (6)(a) and (6)(b) above.

However, **We** shall not exclude any claim for subsequent loss or destruction of or **Damage** to any property or **Consequential Loss** which itself results from a **Defined Contingency** arising under any of the following Sections, but only to the extent that such claim would otherwise be insured under that Section

- (1) Property Damage
- (2) Business Interruption
- (3) Money and Assault.

This exception does not apply to any of the following Sections, when insured by this Policy

- (1) Employers' Liability
- (2) Terrorism

- (7) any claim (other than in respect of **Personal Injury** as defined under the Public and Products Liability Section) arising directly or indirectly from or in connection with or consisting of
- (a) **Loss of Data.**

However, **We** will not exclude any claim arising directly or indirectly from or in connection with or consisting of **Loss of Data** which claim is not otherwise excluded and which results from a **Malicious Contingency** involving physical force and violence or a **Specified Contingency** where either is insured under any of the following Sections and only to the same extent that such claim is insured under that Section

- (i) Property Damage
- (ii) Business All Risks
- (iii) Money and Assault
- (iv) Business Interruption.

Exception (7) (a) above does not apply to the Public and Products Liability Section when insured by this Policy.

- (b) any loss, destruction or damage, **Failure** or **Loss of Data** resulting directly or indirectly from or in connection with **Virus or Similar Mechanism, Denial of Service Attack** or unauthorised access to or use of **Computer and Electronic Equipment.**

However, **We** will not exclude any claim in respect of any subsequent physical loss or destruction of or **Damage to Property** other than **Computer and Electronic Equipment and Data Storage Materials** which claim is not otherwise excluded and which results from a **Malicious Contingency** involving physical force and violence or a **Specified Contingency** where either is insured under any of the following Sections and only to the same extent that such subsequent physical loss or destruction of or **Damage to Property** is insured under that Section

- (i) Property Damage
- (ii) Business All Risks
- (iii) Money and Assault
- (iv) Business Interruption.

**Exceptions** (7) (a) and (b) do not apply to the following Sections when insured by this Policy

- (1) Employers' Liability
- (2) Terrorism Insurance

**DEFINITION**

The following **Definition** only applies to this **Exception**

**Specified Contingency**

Fire, lightning, explosion, aircraft and other aerial devices or articles dropped from them, earthquake, storm or flood, escape of water from any tank, apparatus or pipe, falling trees, impact, escape of fuel from any fixed oil heating installation.

## CONDITIONS PRECEDENT

The following **Conditions Precedent** should be read in conjunction with other **Conditions Precedent** which may apply to a specific Section of the Policy.

The following **Conditions Precedent** apply.

## MINIMUM SECURITY

### DEFINITIONS

The following **Definitions** only apply to the **Minimum Security Condition Precedent**

#### Perimeter

Doors and windows that provide access from those parts of **The Premises** occupied by **You** in connection with **The Business** to the open air, into any area of **The Premises** not occupied by **You** in connection with **The Business** or into any adjoining premises.

#### Accessible

Perimeter windows located on

- (1) basement and ground floors
- (2) other floors where they can be reached by a person standing within any communal areas, areas, of **The Premises** not occupied by **You** in connection with **The Business** or any areas of adjoining or adjacent premises
- (3) other floors where they can be reached by a person standing on adjoining or adjacent land or any external structural feature of **The Premises**, or any adjoining or adjacent premises, which can readily be climbed onto including but not limited to stairways, fire escapes, lower storey roof, porches, balconies and downpipes.

It is a **Condition Precedent** to **Our** liability in respect of loss, destruction or **Damage** occurring more than 60 days after the inception of the Policy that all **Perimeter** doors and opening **Accessible Perimeter** windows are provided with an appropriate security measure, as described in (1) –(6) below

- (1) Hinged doors are to be secured as follows
  - (a) single leaf doors and the final closing leaf of double doors
    - (i) timber framed doors – by a lock certified as meeting British Standard BS3621
    - (ii) aluminium or steel framed doors – by a five (or more) pin cylinder mortice swing lock
    - (iii) Plastic framed doors – by a lock assembly certified as meeting PAS 3621 or a multi-point lock having at least 3 moving fastening Points operated from a handle which is secured by a five (or more) Pin cylinder lock
    - (iv) steel or composite construction(security) doors – by a security measure described in either 1 (a) or 1(a) above or by a five (or more) pin cylinder mortice lock.

- (b) the first closing leaf of double doors
  - (i) by having, adjacent to the top and bottom corners of the door, a rebate bolt or an internal key operated mortice rack bolt or a lockable bolt
  - (ii) by a multi-point lock having at least two moving fastening points operated from a handle which is secured by a five (or more) pin cylinder lock.
- (2) Rolling shutter and rolling panel doors are to be secured as follows
  - (a) manually operated doors – by having the operating chain fastened to an internal chin stop, housing or wall bracket by means of a padlock having hardened steel shackle.
  - (b) electrically operated doors – by having an internal operating switch permitting power to be isolated and secured in the 'off' position by means of an integral lock or padlock.
  - (c) wicket gates/personnel doors within such doors – by a lock certified as meeting British Standard BS3621.
- (3) Cellar trap doors are to be secured as follows
  - (a) by having an internal steel padlock bar fastened by a padlock having hardened steel shackle.
  - (b) by having, adjacent to the top and bottom corners of the door(s), an internal key operated mortice rack bolt noting that, where one leaf of double doors when closed prevents the opening of the other, only that leaf needs securing as stated.
- (4) Doors described in 1 (a) and 2 (c) above which are not used as final exit doors are to be secured
 

a security measure described in 1(a) or 2 (c) above or any type of door lock or lockable fastening not described therein which is supplemented by having, adjacent to the top and bottom corners of the door, an internal key operated mortice rack bolt or a lockable bolt.
- (5) Windows are to be secured as follows
  - (a) roof lights – by internal or external fixed steel bars or grilles.
  - (b) louvre windows – by internal or external fixed steel bars or grilles.
  - (c) other windows – internally by means of a fastening device having an integral lock, by a window lock or by a key operated mortice rack bolt.
- (6) Emergency Fire Exits are to be secured as follows
 

any door or window described in (1) – (5) above which is formally designated as being solely for use as an emergency fire exit by the person(s) legally responsible under fire safety legislation for fire safety at **The Premises** is excluded from the stated requirements, but must instead be secured by a fastening device designed and supplied as suitable for the task.

## PROTECTIONS

It is a **Condition Precedent** to **Our** liability in respect of loss, destruction or **Damage** caused by theft, attempted theft or theft of **Money** that whenever **The Premises** are

(1) closed for business

or

(2) left unattended

all security devices provided to protect **The Premises** are properly fitted and put into full operation.

The following **Condition Precedent** applies only if stated under **Additional Clauses** operative in **The Schedule**.

## ADDITIONAL CLAUSE A – ALARM CONDITION

### INTRUDER ALARM SYSTEM

#### DEFINITIONS

The following **Definitions** only apply to the **Intruder Alarm System Condition Precedent**.

#### Alarmed Premises

**The Premises** or those parts of **The Premises** protected by the **Intruder Alarm System**.

#### Intruder Alarm System

The component parts detailed in the alarm specification including the means of communication used to transmit signals.

#### Keyholder

**You** or any **Responsible Person** or keyholding company authorised by **You**:-

- (1) to accept notification of faults or alarm signals relating to the **Intruder Alarm System**
- (2) to attend, and allow access to **The Premises** at least one of whom must be available at all times.

#### Responsible Person

**You** or any person authorised by **You** to be responsible for the security of **The Premises**.

It is a **Condition Precedent** to **Our** liability in respect of loss, destruction or **Damage** caused by theft or attempted theft involving entry into or exit from **The Premises** by forcible and violent means that

- (1) whenever **The Premises** are closed for business or left unattended the Alarmed Premises are protected by the **Intruder Alarm System**
- (2) the **Intruder Alarm System** shall be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance with the installing company or such other company, as agreed with **Us**
- (3) no alteration to, or substitution of
  - (1) any part of the **Intruder Alarm System**

- (2) the procedures agreed with **Us** for police or any other response to any activation of the **Intruder Alarm System**
- (3) the maintenance contract

shall be made without **Our** written agreement

- (4) at least one **Responsible Person** must remain on the **Alarmed Premises**
  - (a) unless the **Intruder Alarm System** is fully set with the means of communication used to transmit signals in full operation
  - (b) if the police have withdrawn their response to alarm calls except where **We** agree otherwise in writing
- (5) all keys to the **Intruder Alarm System** are removed from **The Premises** when **The Premises** are left unattended
- (6) **You** and each **Keyholder**
  - (a) keep secret the codes for the operation of the **Intruder Alarm System**

and

  - (b) do not leave details of the codes on **The Premises**
- (7) **You** appoint at least two **Keyholders** and notify this in writing to the police and the alarm company who are contracted to maintain the alarm. **You** must also tell them of any change of **Keyholders**
- (8) when the **Intruder Alarm System** has been set, and notice is given that it has been activated
 

or

the means of communication have been interrupted

a **Keyholder** must attend **The Premises** as soon as possible following such notice and a **Responsible Person** must remain there until the requirements of paragraph 4 have been complied with.

This must be done unless **We** have previously agreed in writing alternative procedures
- (9) if **You** receive notice
  - (a) that police response to alarm signals and, or calls from the **Intruder Alarm System** may be withdrawn or the level of response reduced or delayed
  - (b) from a local authority or magistrate imposing any requirements for abatement of a nuisance
  - (c) from the installing company or another company as agreed by **Us** that the **Intruder Alarm System** cannot be returned to, or maintained in, full working order

**You** must tell **Us** as soon as possible and in any event no later than 10.00am on **Our** next working day

and

comply with all alternative security measures **We** may reasonably require.

## POLICY CONDITIONS

Each Section of the Policy contains conditions. They must be read in conjunction with the following Policy Conditions.

Where: (i) there has been a failure to comply with a term (express or implied) of this Policy, other than a term which defines the risk as a whole; and (ii) compliance with such term would tend to reduce the risk of loss of a particular kind and/or loss at a particular location and/or loss at a particular time, **We** cannot rely on the breach of such term to exclude, limit or discharge its liability if **You** shows that the failure to comply with such term could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

If **You** breach any warranty in this Policy, **Our** liability under the Policy shall be suspended from the time of the breach until the time when the breach is remedied (if it is capable of being remedied). **We** will have no liability to **You** for any loss which occurs, or which is attributable to something happening, during the period when **Our** liability is suspended

### (1) Alteration of Risk

**You** warrant that there shall not be any material alteration to the risk after the commencement of this insurance

- (a) which increases the risk of loss, destruction, **Damage**, accident, injury or liability
  - or
- (b) where **Your** interest ceases except by will or operation of law unless **We** have accepted the alteration in writing.

### (2) Arbitration

If **We** accept liability but **You** disagree with the amount **We** offer to pay, the claim will be referred to an arbitrator who will be jointly appointed in accordance with statutory provisions.

An award made by the arbitrator will be a **Condition Precedent** to a right of legal action against **Us**.

### (3) Average

Where a **Sum Insured** is subject to **Average**, if at the time of loss, destruction or **Damage**, the **Sum Insured** is less than the total value of the property, **You** will

- (a) be responsible for the difference
- (b) bear a proportionate share of the loss.

### (4) Cancellation

Following the expiry of **Your** Statutory 14 day right to cancel (also known as the "cooling-off period"), **You** continue to have the right to cancel **Your** policy at any time during its term.

If **You** do cancel **Your** Policy after the "cooling-off period", **You** will be entitled to a refund of the premium **You** paid subject to a deduction for the time for which **You** have been covered. This will be calculated in proportion to the period for which **You** have been on cover.

If **You** wish to cancel **Your** Policy at any time, please contact **Your** insurance adviser.

**We** may cancel the Policy

- (a) by sending **You** 30 days written notice to **Your** last known address. **We** will refund a proportionate part of the premium paid for the unexpired period, provided that no claims have been paid or are outstanding during the **Period of Insurance**.
- (b) immediately if the premium has not been paid or if there has been a default under an instalment or linked credit agreement.
 

**We** will not refund any instalment paid and at **Our** discretion may request full payment of the annual premium if any claims have been paid or are outstanding during the **Period of Insurance**.

Other reasons for cancellation under this Condition may include but are not limited to:

- (a) a change to the risk which makes it one **We** would not normally accept
- (b) **You** failing to co-operate with or provide information to **Us** which affects **Our** ability to underwrite the risk.

### (5) Contribution

**Applicable to Employers' Liability Section and Public and Products' Liability Section**

- (a) If the insurance provided by these Sections is also covered by another Policy (or would but for the existence of these Sections), **We** will only indemnify **You** in respect of any excess beyond the amount which would be payable under such other insurance had these Sections not been effected.

**Applicable to all other Sections insured by this Policy**

- (b) Where any loss, destruction, **Damage** or liability covered by the Policy is also covered by another Policy, (or would be but for the existence of this Policy), **We** will only pay a rateable share of the loss.
- (c) If the other insurance is subject to a condition of average and this Policy is not, this Policy will become subject to the same condition of **Average**.
- (d) If the **Property Insured** covered by the other insurance is subject to a provision excluding proportional payment in whole or in part, the payment **We** make will be limited to the proportion of loss, destruction or **Damage** as the **Sum Insured** bears to the value of the property.

### (6) Discharge of Liability

**We** may at any time pay

- (a) the **Limit of Indemnity**

or

- (b) the **Sum Insured**

or

- (c) a smaller amount for which a claim can be settled after deduction of any sum already paid.

**We** will not make any further payment except for costs and expenses incurred prior to the payment of the claim.

### (7) Fraud

If the **You** make a fraudulent claim under this Policy **We** shall not be liable to pay **You** any sums in respect of the fraudulent claim.

**We** may recover from **You** any sums that the **We** have already paid to **You** in respect of the fraudulent claim. **We** may by notice to **You** treat this Policy as terminated with effect from the date of **Your** fraudulent act



**(8) Identification**

The Policy and **The Schedule** will read as one contract. A particular word or phrase which is not defined will have its ordinary meaning.

**(9) Index Linking**

- (a) Renewal  
the amounts insured will be adjusted for movements in the following indices. **We** may select alternative measures if any of these indices are unavailable.
- (i) any **Building** and **Tenants Improvements** item  
The General Building Cost Index issued by the Building Cost Information Service of the Royal Institution of Chartered Surveyors
  - (ii) other items  
The Producer Price Index for Home Sales of Manufactured Products issued by the relevant government department.
- (b) Claims  
These adjustments will continue during the
- (i) **Period of Insurance**
  - (ii) period of repair, replacement or reinstatement provided that such work is carried out and completed without undue delay.

**(10) Our Rights**

If loss, destruction or **Damage** occurs which may lead to a claim **We** may

- (a) enter or take possession of the building or **The Premises**
- (b) take possession of, or require to be delivered to **Us, Property Insured** which **We** will deal within in a reasonable manner without incurring liability or reducing **Our** rights.

**We** will not provide indemnity for loss, destruction or **Damage** if **You** or anyone acting on **Your** behalf

- (i) do not comply with **Our** requirements
- (ii) hinder or obstruct **Us**.

**You** are not entitled to abandon property to **Us**.

**(11) Reasonable Precautions**

**You** shall take all reasonable care:

- (a) for the safety of the **Property Insured**
- (b) to prevent accidents or disease
- (c) to comply with all statutory obligations and regulations imposed by any authority
- (d) to prevent the sale or supply of goods which are defective in any way.

**(12) Reinstatement**

When **We** decide, or are required, to reinstate or replace any property **You** will, at **Your** expense, provide

- (a) plans
- (b) documents
- (c) books
- (d) information

which **We** require.

**We** will not be obliged to reinstate property exactly but only in a satisfactory manner as circumstances allow.

The maximum amount **We** will pay in respect of one item is the **Limit of Indemnity** or the **Sum Insured** for that item.

**(13) Subrogation**

Anyone making a claim under this Policy must, at **Our** request and expense, do everything **We** reasonably require to

- (a) enforce a right or remedy

or

- (b) obtain relief or indemnity

from other parties to which **We** will become entitled or subrogated because of payment for or making good loss, destruction, **Damage**, accident or injury.

**We** may require **You** to carry out such actions before or after **We** make any admission of or payment of a claim.

**(14) Subjectivity Condition**

The Policy, statement of fact and, or declaration made by **You**, and **The Schedule**, should be read together and form the contract of insurance between **You**, and **Us**

- (a) **We** will clearly state in **The Schedule** if the indemnity provided by the Policy is subject to **You**:
  - (i) providing **Us** with any additional information requested by the required date(s),
  - (ii) completing any actions agreed between **You** and **Us** by the required date(s),
  - (iii) allowing **Us** to complete any actions agreed between **You** and **Us**.
- (b) if required by **Us, You** must allow us access to **The Premises, Your** contract sites, and, or **The Business**, to carry out survey(s), within 60 days of the inception or renewal date, unless **We** agree otherwise in writing.

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

- (i) modify the premium,
- (ii) issue a mid-term amendment to the Policy or Section terms **Conditions and Exceptions**,
- (iii) require **You** to make alterations to **The Premises** or contract sites insured by the required date(s),
- (iv) exercise **Our** right to cancel the Policy,
- (v) leave the Policy or Section terms **Conditions and Exceptions**, and the premium, unaltered.

**We** will contact **You** with **Our** decision and where applicable, specify the date(s) by which any action(s) agreed need to be completed by **You** and, or any decision by **Us** will take effect.

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



**You** have the right to cancel this Policy from a date agreed by **You** and **Us** and, providing no claims have been made, **We** will refund a proportionate part of the premium paid for the unexpired period of cover.

- (i) **We** may, at **Our** option, exercise **Our** right under Policy Condition (4) Cancellation.

Except where stated all other Policy Section terms **Conditions** and **Exceptions** will continue to apply.

The above conditions do not affect **Our** right at Common Law.

## (15) Language

The contractual terms, conditions, exclusions and other information relating to this Policy will be in the English language.

## COMPLAINTS PROCEDURE

### Our promise of service

It is always the intention to provide a first class standard of service. However it is appreciated that occasionally things go wrong.

If **Your** complaint is about the way **Your** Policy was sold to **You**, please contact **Your** broker to report **Your** complaint.

If **You** have a complaint regarding **Your** claim, please telephone **Us** on the number shown in **Your** claims documentation.

Alternatively for any other type of complaint **You** can contact the Pen Underwriting Limited Complaints Officer quoting **Your** policy or claim number.

Pen Underwriting Limited Complaints  
7<sup>th</sup> Floor Spectrum Building  
55 Blythswood Street  
Glasgow  
G2 7AT

Telephone: 0141 285 3539

Email: [pencomplaints@penunderwriting.com](mailto:pencomplaints@penunderwriting.com)

**We** will try to resolve **Your** complaint by the end of the next working day. If **We** are unable to do this, **We** will write to **You** within three working days to either:

- tell **You** what we have done to resolve the problem; or
- acknowledge **Your** complaint and let **You** know when **You** can expect a full response.

**We** will also let **You** know who is dealing with the matter. **We** will always aim to resolve **Your** complaint within four weeks of receipt. If **We** are unable to do this **We** will give **You** the reasons for the delay and indicate when **We** will be able to provide a final response. If **We** cannot resolve the differences between **Us**, **You** may refer **Your** complaint to the Financial Ombudsman Service if:

- **You** have an annual turnover of less than EUR 2 million and fewer than 10 employees and,
- If for any reason **You** are still dissatisfied with **Our** final response, or
- If **We** have not issued **Our** final response within 8 weeks from **You** first raising the complaint.

**You** can contact the Financial Ombudsman Service at the address below, however they will only consider **Your** complaint once **You** have tried to resolve it with **Us**.

The Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Following the complaints procedure does not affect **Your** right to take legal action.

### Financial Services Compensation Scheme

In the event that **We** are unable to meet **Our** liabilities **You** may be entitled to compensation from the Financial Services Compensation Scheme. This depends on the type of insurance, the size of **Your** business and the circumstances of the claim.

Further information is available from the Financial Services Compensation Scheme. Their telephone number is **0800 678 1100** or **020 7741 4100**.

Alternatively, more information can be found at [www.fscs.org.uk](http://www.fscs.org.uk).

## DATA PROTECTION NOTICE

Please read this notice carefully as it contains important information about **Our** use of **Your** personal information.

In this notice, **Your** personal information means any information **We** hold about **You** and any information **You** give **Us** about anyone else. **You** should show this notice to anyone else insured or proposed to be insured under **Your** Policy as it will also apply to them. It explains how **We** use all the information **We** have about **You** and the other people insured under **Your** Policy.

Please note that if **You** give **Us** false or inaccurate information this could give **Us** the right to avoid **Your** insurance Policy or it could impact **Your** ability to claim.

### Sensitive information

Some of the personal information that **We** ask **You** to provide is known as "sensitive personal data". This will include information relating to health issues, race, religion and any criminal convictions. **We** need to use sensitive personal data to provide **You** with quotes, arrange and manage **Your** Policy and to provide the services described in **Your** Policy documents (such as dealing with claims).

### How We use Your personal information

**We** are part of a group of companies. **We** may share **Your** personal information with other companies in the group for any of the purposes set out in this notice.

**We** will use **Your** personal information to arrange and manage **Your** insurance Policy, including handling underwriting and claims and issuing renewal documents and information to **You** or **Your** insurance adviser. **We** will also use **Your** personal information to assess **Your** insurance application and provide information to credit reference agencies.

**We** may research, collect and use data about **You** from publicly available sources including social media and networking sites. **We** may use this data for the purposes set out in this notice, including fraud detection and prevention.

**We** may have to share **Your** personal information with other insurers, statutory bodies, regulatory authorities, **Our** business partners or agents providing services on **Our** behalf and other authorised bodies.

**We** will share your personal information with others:

- if **We** need to do this to manage **Your** Policy with **Us** including settling claims;
- for underwriting purposes, such as assessing **Your** application and arranging **Your** Policy;
- for management information purposes;
- to prevent or detect crime, including fraud (see below);
- if **We** are required or permitted to do this by law (for example, if **We** receive a legitimate request
- from the police or another authority); and/or
- if **You** have given **Us** permission.

**You** can ask for further information about **Our** use of **Your** personal information. If **You** require such information, please write to the Data Protection Officer at the address set out in the **Endorsement** entitled Identity of Insurers shown in **The Schedule**.

## Preventing and detecting crime

**We** may use **Your** personal information to prevent crime. In order to prevent and detect crime **We** may:

- check **Your** personal information against **Our** own databases; share it with fraud prevention agencies. **Your** personal information will be checked with and recorded by a fraud prevention agency. Other companies within the financial services industry may also search such fraud prevention agencies when **You** make an application to them for financial products (including credit, savings, insurance, stockbroking or money transmission services). If such companies suspect fraud, **We** will share **Your** relevant personal information with them. The information **We** share may be used by those companies when making decisions about **You**. **You** can find out which fraud prevention agencies are used by **Us** by writing to **Our** Data Protection Officer; and/or
- share it with operators of registers available to the insurance industry to check information and prevent fraud. These include the Claims and Underwriting Exchange Register administered by Insurance Database Services Ltd. **We** may pass information relating to **Your** insurance Policy and any incident (such as an accident, theft or loss) to the operators of these registers, their agents and suppliers.

## Dealing with others on your behalf

To help **You** manage **Your** insurance Policy, subject to answering security questions, **We** will deal with **You** or **Your** husband, wife or partner or any other person whom **We** reasonably believe to be acting for **You** if they call **Us** on **Your** behalf in connection with **Your** Policy or a claim relating to **Your** Policy. For **Your** protection only **You** can cancel **Your** Policy or change the contact address.

## Marketing

**We** may use **Your** personal information and information about **Your** use of **Our** products and services to carry out research and analysis.

**We** will only use **Your** personal information to market **Our** products and services to **You** if **You** agree to this.

## Monitoring and recording

**We** may record or monitor calls for training purposes, to improve the quality of **Our** service and to prevent and detect fraud. **We** may also use CCTV recording equipment in and around **Our** premises.

It is understood by **You** that any information provided to **Us** regarding **You** will be processed by **Us** for the purposes of providing insurance, handling any claims and any other related purpose and which may require providing such information to third parties (including **Our** group companies). As a result **We** may transfer **Your** personal information to a destination outside the European Economic Area ("EEA"). **We** will take the necessary steps to ensure that **Your** information is treated securely and in accordance with this privacy policy

## Further information

**You** are entitled to receive a copy of any of **Your** personal information **We** hold. If **You** would like to receive a copy, or if **You** would like further information on, or wish to complain about, the way that **We** use **Your** personal information, please write to the Data Protection Officer at the Registered office address stated in the **Endorsement** entitled Identity of Insurers shown in **The Schedule**

If **We** change the way that **We** use **Your** personal information, **We** will write to **You** to let **You** know. If **You** do not agree to that change in use, **You** must let **Us** know as soon as possible by writing to **Us** at the address referred to above.

**You** have the right to complain to the Information Commissioner's Office at any time if **You** object to the way **We** use **Your** personal information. For more information please go to [www.ico.org.uk](http://www.ico.org.uk).



**Pen**  
underwriting